PREFACE

Agriculture is a major driver of the Kenyan economy and the dominant source of employment. In 2013, agriculture contributed 27 percent to the National Gross Domestic Product (GDP). The crop, livestock and fisheries subsectors contributing approximately 78 percent, 20 percent and 2 percent to agricultural GDP respectively (GoK 2013). Agriculture generates most of Kenya’s food requirements, nearly two-thirds (65 percent) of merchandise exports, and roughly 60 percent of foreign exchange earnings. The agricultural sector employs over four-fifths of Kenya’s rural work force and accounts for more than one-fifth of formal employment. It therefore plays a key role in poverty reduction. The Kenya Vision 2030 has identified agriculture as one of the six key economic sectors expected to drive the economy to a projected 10 percent economic growth annually. This level of growth will be crucial for attaining the Sustainable Development Goals (SDGs) 1 and 2 of ending poverty and hunger respectively. Vision 2030 reiterates the importance of transforming smallholder subsistence agriculture into an innovative, commercially oriented, and modern sector. It identifies the major challenges as low productivity, underutilized land, inefficient markets and limited value addition.

The agricultural sector responded to Vision 2030 by developing the Agricultural Sector Development Strategy (ASDS). 2010–2020 now under review. The ASDS aimed at attaining an average agricultural sector growth of 7 percent per year between 2010 and 2015. In line with Vision 2030, the ASDS seeks to address two critical challenges: (i) increasing the productivity, commercialization, and competitiveness of agricultural commodities; and (ii) developing and managing key factors of production, such as land, water, and rural finance. With respect to adaptation to climate change, ASDS prioritizes investments in weather information systems, research on drought tolerant crop varieties, soil and water conservation, water harvesting, and strengthening integrated pest management systems. For livestock subsector, ASDS prioritizes...
improved management of grazing systems, biogas, livestock diversification and improved breeding of animals.

Overall, the performance of Kenyan agriculture has been highly volatile, with growth rates dipping into negative territory in nine years between 1980 and 2012. Extreme weather events, largely droughts and to a lesser extent floods, have been the principal source of volatility in the performance of agriculture in Kenya. The frequency and intensity of severe weather events has increased, and this trend will be further amplified in the future as temperatures rise due to climate change. Drought is a near-constant presence in Kenya, arriving with varying levels of severity. Climate change is increasing production risks, with serious implications for agriculture, the natural resource base, food security, livelihoods, and the stability of the wider economy. Climate projections for Kenya indicate that rising temperatures will significantly affect the availability of water and the quality of soils, worsening the effects of more frequent and severe drought. In addition, the agriculture sector is one of the largest sources of Green House Gas (GHG) emissions in Kenya, contributing about 58.6 percent to total emissions. Agriculture, therefore, needs to reduce its GHG emissions and become part of the solution to tackle climate change. The sector plays an important role in sequestering carbon in soil and trees on farms. Soils also have significant potential to absorb a larger amount of carbon from the atmosphere than they currently do. Restoring this carbon to the soil will not only sequester carbon from the atmosphere, but also boost productivity of crops and pasture, increase water retention hence leading to greater resilience when droughts occur, bring land back into production, thereby reducing pressure on biodiversity and forests, and boost incomes. Meeting this challenge will require investments in building resilience to near-term shocks and in adapting to long-term climate change.

In this context, Climate-Smart Agriculture (CSA) offers an appropriate strategic framework for responding to and reducing the adverse effects of climate change. Thus, the Kenya Climate-Smart Agriculture Project (KCSAP) has been formulated to address this challenge. The project will help Kenya meet the rising demand for food; and attain the SDGs of ending poverty (SDG1); hunger (SDG2) and combating climate change and its impacts (SDG13). The KCSAP will contribute to GoK’s Vision 2030 development strategy as well as Agricultural Sector Development Strategy 2010–2020.

KCSAP aims to achieve three outcomes (triple-wins): (i) sustainably increasing agricultural productivity and incomes; (ii) adapting and building resilience to climate change; and (iii)
reducing and/or removing greenhouse gas (GHG) emissions, where possible. KCSAP will focus on increasing agricultural productivity and enhancing resilience to impacts of climate change with reducing GHG emissions (mitigation) as a co-benefit. The direct beneficiaries of the project are estimated at about 521,500 households of smallholder farmers, agro-pastoralists and pastoralists. Approximately 163,350 households organized in about 4,950 Common Interest Groups (CIGs) and 18,150 households in 1,100 Vulnerable and Marginalized Groups (VMGs) will benefit from community CSA micro-projects. In addition, about 240,000 and 100,000 households will benefit from the county-level and public-private partnership (PPP) investments (sub-projects), respectively. Further, over 600 micro-small-and- medium enterprises (MSMEs) will also be direct beneficiaries of the project interventions. It is envisaged that these beneficiaries will come from 24 participating counties. The project is expected to run from April 2017 to January 2022.

The essence of this Matching Grants Manual (MGM) is to provide an effective management tool for the resources available to beneficiaries. The main aim of the Manual is to introduce a simple and effective system for prudent financial management of the available Grants. This Manual will be effective from January, 2018 and copies will be availed to the County Project Coordinating Units (CPCUs) of the KCSAP for use by Common Interest groups (CIGs), Vulnerable and Marginalized Groups (VMGs), Producer Organizations (POs), Private Firms (PFs), their Service Providers (SPs) and other project implementing partners and agencies.

I am confident this accounting tool will be useful to various partners to ensure accountability, accuracy transparency and openness, in the financial records and reports of the project activities.

Francis K. Muthami

National Project Coordinator- KCSAP
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### ABBREVIATIONS AND ACRONYMS

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<tbody>
<tr>
<td>AGM</td>
<td>Annual General Meeting</td>
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<tr>
<td>CBK</td>
<td>Central Bank of Kenya</td>
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<td>CAADP</td>
<td>Comprehensive African Agricultural Development Programme</td>
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<td>CAPs</td>
<td>County Annual Plans</td>
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<td>CDDC</td>
<td>Community-Driven Development Committee</td>
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<tr>
<td>CIAP</td>
<td>County Integrated Action Plan</td>
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<tr>
<td>CIDP</td>
<td>County Integrated Development Plan</td>
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<tr>
<td>CIG</td>
<td>Common Interest Group</td>
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<td>CPCU</td>
<td>County Project Coordination Unit</td>
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<td>CPSC</td>
<td>County Project Steering Committee</td>
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<td>CSA</td>
<td>Climate Smart Agriculture</td>
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<td>CTAC</td>
<td>County Technical Advisory Committee</td>
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<tr>
<td>CTD</td>
<td>County Technical Department</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>KCSAP</td>
<td>Kenya Climate Smart Agriculture Project</td>
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<td>KCSAS</td>
<td>Kenya Climate Smart Agriculture Strategy</td>
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<td>MSMEs</td>
<td>Micro Small and Medium Enterprises</td>
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<td>MGM</td>
<td>Matching Grant Manual</td>
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<tr>
<td>PICD</td>
<td>Participatory Integrated Community Development</td>
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<td>PF</td>
<td>Private Firm</td>
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<tr>
<td>PO</td>
<td>Producer Organization</td>
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<tr>
<td>S&amp;L</td>
<td>Savings and Loan</td>
</tr>
<tr>
<td>SACCO</td>
<td>Savings and Credit Co-operative</td>
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<tr>
<td>SDA</td>
<td>State Department of Agriculture</td>
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<td>SDC</td>
<td>State Department for Co-operatives</td>
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<td>SDF</td>
<td>State Department of Fisheries</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>SDL</td>
<td>State Department of Livestock</td>
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<tr>
<td>TIMPs</td>
<td>Technology Innovation Management Practices</td>
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<tr>
<td>UNCCD</td>
<td>United Nations Conventions on Combating Desertification</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<tr>
<td>VC</td>
<td>Value Chain</td>
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<tr>
<td>VMG</td>
<td>Vulnerable and Marginalized Group</td>
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DEFINITION OF TERMS

Annual General Meeting (AGM) is the supreme authority of the members in an organization.

Common Interest Group (CIG) –is defined as a self-managed, independent group of farmers with a shared goal and interest. The members work together to achieve this goal by jointly developing an Enterprise Development Plan, learning together but individually implementing the lessons learnt. They then pool their produce in order to market/ process together and share the resulting benefits. However, despite this growth, farmers retain the common purpose and goal.

Private Firms (PFs) are registered companies doing business in the country.

Producer Organizations (PO) is an amalgamation of advanced CIGs into cooperatives and or Commodity Associations with an expanded scope of their activities attracting external funding and/or partnerships, so as to support the realization of its objective (s).

Service Provider (SP) is defined as an individual (in private or public sector), consortia, public and private companies, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), or Faith Based Organizations (FBOs), Farmer / Producer Groups, Cooperatives, agro-input dealers among others, enlisted by KCSAP or CPCU to have the requisite technical (production, marketing, value-addition, agribusiness), operational and managerial capacity to offer support services to CIGs/PO.

Vulnerable Marginalized Group (VMG) is a community targeted by KSCAP that meet both the World Bank criteria for marginalization and the Government of Kenya criteria for marginalized and minority communities. They include youths, indigenous people, elderly men and women, windows /orphans, the differently abled, recovering substance abusers, and people living with HIV/AIDS.

Savings and Credit Co-operative (SACCO) is a type of co-operative whose core business is to mobilize savings and offer affordable credit to members.
CHAPTER ONE
1.0 INTRODUCTION

1. Agriculture is a major driver of the Kenyan economy and the dominant source of employment for about half of the population. The sector employs over 80 percent of the rural work force and accounts for more than 20 percent of formal employment therefore playing a key role in poverty reduction. In 2013, agriculture contributed 27 percent to the national gross domestic product (GDP). The crop, livestock and fisheries subsectors contributing approximately 78 percent, 20 percent and 2 percent to agricultural GDP respectively (GoK 2013). The Kenya Vision 2030 recognizes the importance of transforming smallholder subsistence agriculture into an innovative, commercially oriented, and modern sector. It identifies the major challenges as low productivity, underutilized land, inefficient markets and limited value addition. Addressing these challenges is crucial in attaining the Sustainable Development Goals (SDGs) 1 ending poverty and 2 of eradicating hunger in Kenya. The Government’s efforts to address these challenges were articulated in a number of policy and strategies which includes Agriculture Sector Development Strategy (ASDS) 2010–2020, National Agricultural Research Systems (NARS) and National Agricultural Sector Extension Policy (NASEP).

2. The Center for Global Development ranks Kenya 13th out of 233 countries for “direct risks” from “extreme weather and 71st for “overall vulnerability” to climate change (KCSAP PAD). The country is active in the regional and international dialogue on mainstreaming climate change into agricultural policies, plans and actions and is a signatory to the UNCCD and UNFCC. Kenya is also implementing the Compressive Africa Agriculture Development Program (CAADP) Framework (2010) and the East African Community Climate Change Policy (EACCCP), Master plan and Strategy, which also informs Kenya’s National Climate Change Policy. At national level, the Kenya Climate-Change Act, 2016 envisions “a climate resilient and low carbon growth sustainable agriculture that ensures food security and contributes to the national development goal. Further, Kenya Climate-Smart Agriculture Strategy (KCSAS, 2017-2026) provides framework for action on effects of climate change. The Kenya Climate Smart Agriculture Project (KCSAP) project focuses on increasing agricultural productivity, enhancing resilience to impacts of climate change and reduction in GHG emissions.
3. **The Project Development Objective (PDO)** is “to increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.” To achieve this objective the project will support:

(i) Improving water/soil management, especially within smallholder maize systems in the marginal rainfall zones—specifically, in smallholder mixed crop-livestock, crop-livestock-tree (agro-silvo-pastoral) production systems and in crop forest (agro-forestry) production systems;

(ii) Promoting sustainable, community-driven rangeland management and improved access to quality livestock services in ASALs—specifically, in pastoral/extensive livestock production systems;

(iii) Supporting the generation and dissemination of improved agricultural technology, innovation, management practices (TIMPs) and building sustainable seed systems.

4. The project interventions will be concentrated in 24 selected counties in **Arid Areas** (Marsabit, Isiolo, Tana River, Garissa, Wajir and Mandera); **Semi-Arid Areas** (West-Pokot, Baringo, Laikipia, Nyeri, Tharaka-Nithi, Lamu, Taita-Taveta, Kajiado and Machakos) and **Medium-to-High Rainfall Areas** (Busia, Siaya, Nyandarua, Bomet, Kericho, Kakamega, Uasin-Gishu, Elgeyo-Marakwet and Kisumu). Each county will select four to six wards in up to three sub-counties using the following criteria: (i) poverty level of ward; (ii) vulnerability to climate risks; (iii) presence of priority value chains; (iv) geographic proximity and contiguity of wards; (v) absence of similar initiatives to avoid duplication; and (vi) presence of ward-level technical department officials.

5. The direct beneficiaries of the project are estimated at about 521,500 households of smallholder farmers, agro-pastoralists, and pastoralists. These beneficiaries include members of Common Interest Groups (CIGs), Vulnerable and Marginalized Groups (VMGs), or PPPs, including POs, and thus recipients of grants, as well as beneficiaries that benefit from landscape-level investments implemented by counties. Of these, 163,350 represent households organized into about 4,950 CIGs and 18,150 represent households organized into 1,100 VMGs. All these groups will also benefit from community CSA microprojects. About 240,000 and 100,000 households will benefit from the county-level and public-private partnership (PPP) investments (subprojects), respectively. More than 600 micro small- and medium enterprises (MSMEs)
will also benefit directly from project interventions.

6. The total project cost is estimated at US$279.7 million, of which the International Development Association (IDA) will finance US$250 million under an Investment Project Financing (IPF) instrument. The estimated project cost takes into account GoK counterpart funds (US$15.9 million equivalent), county governments (US$8.3 million), and beneficiary contributions (US$5.5 million equivalent) for a total of US$29.75 million equivalent.

7. This Matching Grants Manual (MGM) is prepared to provide guidance on effective management of the resources available to targeted beneficiaries. The main aim of the Manual is to introduce a simple and effective system for prudent management of matching grants to be provided by the project. Copies of the manual will be availed to the KCSAP County Project Coordination Units (CPCUs) for use by all project beneficiaries and stakeholders.

8. Matching grants will be provided through three windows: (i) community-level investment to finance microprojects; (ii) county level investments to finance relatively larger sub-projects; and (iii) productive alliance investments through providing competitive matching grants to private firms (for profit companies) and registered Producer Organizations (POs) to support value chain development.
CHAPTER TWO
2.0 OBJECTIVES OF THE KCSAP MATCHING GRANTS MANUAL

9. The overall objective of this manual is to **provide guidance on effective management of the grants available to project beneficiaries.**

The specific objectives are:

i. To set out the arrangements and procedures for preparation, appraisal, approval, implementation and supervision of activities to be financed by the Matching Grants.

ii. To facilitate a simple and structured flow of grant funds to beneficiaries.

iii. To simplify and speed up the accountability process and monitoring of the grants at all project levels

iv. To enable effective capacity building of beneficiaries and service providers on the accessibility; utilization and accountability of the grants.
CHAPTER THREE
3.0 GENERAL AREAS TO BE FINANCED

3.1 Smallholder Agro-pastoral Production Systems Investment Grants

10. The CSA investment Grants for the 17 agro-pastoralist Counties (West Pokot, Baringo, Laikipia, Machakos, Nyeri, Tharaka-Nithi, Taita-Taveta, Kajiado, Busia, Siaya, Nyandarua, Bomet, Kericho, Kakamega, Uasin- Gishu, Elgeyo Marakwet, and Kisumu) will be financed under three windows: (i) Community Investment Grants - support to Common Interest Groups (CIGs), Vulnerable and Marginalized Groups (VMGs) and POs for implementing TIMPs; (ii) County Investment Grants - support to county governments to implement CSA interventions that provide public goods that are ward-specific or span across several wards; and (iii) Public-Private Partnerships Grants– support to private firms and POs to promote production alliances in priority VCs. Within the three windows, there are therefore, three types of grants; (1); micro-project or Community grants; (2) Sub-project or County grants; and (3) Public Private Partnerships (PPPs) with Producer Organizations (POs) grants.

3.1.1 Window 1: Community Investment Grants

11. Two types of grants are available at the community level; (i) service fee funds that will be used by the beneficiaries (Common Interest Groups –CIGs, Vulnerable Marginalized-VMGs and Producer Organizations-POs) to pay for the contracted extension services offered by their service providers (SPs) and (ii) community-led CSA micro-projects. Both the beneficiary groups and micro-projects will be identified during the Participatory Integrated Community Development (PICD) process detailed in KCSAP Extension and Value Chain Development Manual. The national project coordinating unit (NPCU) through the county project coordinating unit (CPCU) will ensure that the micro-projects are consistent with the respective county CSA Plans which have been incorporated in the County Integrated Development Plans (CIDPs). All proposals requesting for funding will be evaluated and rated against the Grant Proposals Assessment Criteria (Annex 1). Community investment grants will be available for CIGs and VMGs.
a) CIG Matching Grants

12. The matching grants will support CIGs to investment in community micro-projects that focus on the following areas: (i) implementation of CSA TIMPs (70 percent); (ii) livelihood diversification (20 percent); and (iii) mainstreaming nutrition (10 percent). CIGs with support of their SPs will prepare micro-project proposals and submit to CPCUs for vetting by CTAC and approval by CPSC. Once their proposals are approved, CIGs will receive matching grants ranging from USD7,000 to USD10,000 equivalent to implement their community CSA micro-projects. To enhance ownership of community CSA micro-projects, CIG members will be required to contribute at least 10% of the cost of their micro-projects either in cash or in kind. CIGs will be encouraged to federate into legal entities such as co-operatives and also form Savings and Loan (S&L) groups that can eventually federate into savings and credit cooperative (SACCOs). The project will provide matching grants of up to 50% of members’ contribution total savings to boost the SACCOs capital.

Eligibility Criteria for CIG matching grants

13. The matching grants will be provided to both existing or newly formed CIGs who meet the following criteria:

i. Be legally registered with relevant government authorities such as the department of social services and have a membership of at least 20 members
ii. Have a constitution developed with the participation of all members
iii. Have elected officials
iv. Have a management structure in place
v. Be involved in agricultural activities
vi. Be in existence for at least a period of six (6) months
vii. Have a group bank account with at least three mandatory signatories
viii. Have a bankable business plan
ix. Be able to contribute at least 10% of the cost of their micro-projects either in cash or in kind
b) Matching grants for VMGs

14. The matching grants will support VMGs to invest in community micro-projects that focus in the following areas: (i) implementation of CSA TIMPs (60 percent); (ii) livelihood diversification (30 percent); and (iii) mainstreaming nutrition (10 percent). VMGs with support of their SPs will prepare CSA micro-project proposals and submit to CPCUs for vetting by CTAC and approval by CPSC. Once their proposals are approved, VMGs will receive matching grants ranging from US$3,000 to US$5,000 depending on the selected and approved micro-project. Approximately 10 percent (US$2.8 million equivalent) of the total grants under Window I will be allocated for support to VMGs. The Vulnerable and Marginalized Group members will not be required to contribute towards the costs of their approved CSA micro-projects.

Eligibility Criteria for VMG matching grants

15. The matching grant will be provided to people who meet the World Bank’s criteria for “marginalization” and the GoK’s criteria for “marginalized” and “minority” communities. The VMGs will be composed of vulnerable individuals including; youths, indigenous people, elderly women and men, widows/orphans, the differently-abled, recovering substance abusers, and people living with HIV/AIDS. These individuals will be identified by the communities using the participatory methods in analysis of poverty (PAPOD) during the participatory integrated community development process (PICD). The set-out criteria for identification of VMG individuals will focus on the indicators of poverty including; lack /limited ownership to land and other assets; value (actual or perceived) of land/ assets owned, number of meals per day, number of dependents, female-/child-headed households, and advanced age as well as other indicators to be developed by the communities during the process. The identified individuals will be facilitated to form VMG groups that must meet the following criteria:

i. Be legally registered with the relevant government authorities such as department of social services with a membership of at least 20 members

ii. Have a constitution developed with the participation of all members.

iii. Have elected officials

iv. Have a management structure in place.

v. Have a group bank account with at least three mandatory signatories
3.1.2. Window II: County Level Grants

16. The grant will be used to finance county-level CSA investments that have great impacts on many beneficiaries. These investments could either be within a specific ward or cut across various wards that are strategically important to the county or multiple counties. The sub-projects will be consistent with the county CSA plans which are incorporated in the counties’ respective annual plans (CAPs) and CIDPs. County-level investments will include sustainable land management (demarcation and restoration of livestock migration routes and common grazing lands; watershed management/rehabilitation); water management (dredging waterways, building reservoirs, installing boreholes, and constructing and rehabilitating small, farmer-managed irrigation schemes); animal health (infrastructure for disease surveillance and vaccination, holding grounds, and quarantine yards); crop-livestock integration (crop and pasture seed multiplication, breed multiplication); and marketing infrastructure (rehabilitation of slaughterhouses and market centers, rural roads, and milk cooling centers).

17. The sub-projects will be identified during the CSA planning and prioritization at the county and ward levels and ratified during the PICD process. The county technical departments will develop CSA sub-project proposals that will be vetted by CTAC. The CPCUs will submit the competitive county CSA sub-projects through the NPCU to NTAC for approval and funding. The approved and financed county sub-projects will be presented to NPSC by the NPCU for information and records. County-level sub-projects are expected to be completed within two years of approval. The sub projects should adhere to the social and environmental safeguards policies of the World Bank as detailed in the Environmental and Social safeguards frameworks. The project beneficiaries through their sub committees will be consulted at all stages.

18. The cost of each county-level CSA sub-project could range from US$200,000 to US$1,000,000. With average county-level sub-project cost of US$500,000, a total of 60 sub-projects are expected to be financed under this window in 17 counties (an average of four sub-projects per county). Each county would be eligible for submitting multiple CSA sub-projects to CPCU, up to a maximum of US$3 million per county over the life of the project. The county governments will be required to contribute at least 20 percent of the costs of their county sub-project in cash or in kind.
Eligibility Criteria for Sub-Project or County Grants

19. County level grant proposals must address either of the following: sustainable land management; water management; animal health; crop-livestock integration and marketing infrastructure. The County level grants will be provided to proposals that meet the following criteria;

i. The sub-project proposals must be consistent with the County CSA plan which is incorporated in the CAP and CIDP.
ii. The cost of each county-level CSA sub-project could range from US$200,000 to US$1,000,000. With average county-level sub-project cost of US$500,000.
iii. The county governments will be required to contribute at least 20 percent of the costs of their county sub-project in cash or in kind.
iv. For sub-projects involving multiple Counties, the participating Counties must enter into a MoU.

3.1.3. Window III: Public Private Partnerships (PPPs) with Producer (“4P”) Organizations Grants.

20. This grant will be used to pilot the productive alliance models of Public-Private Partnerships with Producers. It will provide competitive matching grants to private firms (for profit companies), and registered Producer Organizations (POs) and their federations to support value chains development and linking them to markets. The Kenya National Farmers Federation (KENAFF) and the State Department for Cooperatives will play a critical role in organizing productive alliances and supporting the POs to federate into commodity-based farmer organizations and linking them to the markets.

Matching Grants for supporting Private Firms.

21. The project will provide competitive VC-upgrading matching grants of up to a maximum of US$200,000 per grant to local private firms in the 24 participating counties. The 4P matching grants will create favorable conditions and incentives for buyers and smallholders to establish mutually beneficial relationships by ensuring that farmers consistently produce a particular quality and reliable supply of a good or commodity. Thus smallholders are able to overcome market barriers and gain stability by receiving consistent and higher prices for their goods, while
buyers benefit from a consistent supply of goods of a particular quality that meets their demands. It is envisaged that about 10 private firms will benefit from this support. The 4P matching grants will also be used to leverage private capital necessary for unlocking bottlenecks in the priority VCs. The private firms are expected to contribute at least 50 percent of the costs of their business plans. It is envisaged that 4P matching grants will be used to finance, among others, input supply, technology development, post production and storage facilities, value addition and processing, and market development.

**Eligibility Criteria for Matching Grants to support Private Firms**

22. The matching grants will be provided to private firms that meet the following criteria;

i. The Private firm must be registered under the Companies Act 2015 and must be up to date with all statutory requirements  
ii. Each firm must have a bankable 5 year business plan  
iii. The firm will be engaged in agricultural activities including agrovets, seed companies (pasture), processors, value addition  
iv. Must have good business records and be able to provide 1 year audited accounts  
v. Application for this grant should not exceed USD 200,000 per grant.  
vi. The private firms must contribute 50% of the cost of their business plans

**Enterprise Development Matching Grants for Supporting POs**

23. The project will provide enterprise development matching grants of up-to a maximum of US$100,000 to POs for financing value addition activities. The POs will integrate CIG and VMG members into input, output, and service markets along their priority VCs in the 24 participating counties. POs will comprise inter-community Co-operatives, pastoralists’ associations, or other forms of market-oriented enterprises (including companies), primarily formed by federated CIGs and VMGs in agro-pastoralist and pastoralist production systems. Each CIG and VMG joining a PO will pay membership and annual fees. Eligible POs will submit their business plans to the CPCUs for vetting and recommendation by CTAC and approval by NTAC. It is estimated that up to 30 POs will benefit from this arrangement. Supported POs will be required to contribute at least 10 percent of the total cost of their investment proposals in cash or in-kind.
Eligibility Criteria for Enterprise Development Matching Grants for Supporting POs

24. Enterprise Development matching grant will be provided to POs that meet the following criteria;

i. Benefitting POs must be legally registered with the relevant government authorities.
ii. Each PO must have a bankable 5 year business plan
iii. Provide at least one year audited accounts report
iv. Supported POs will be required to contribute at least 10 percent of the total cost of their investment proposals in cash or in kind.
v. Each application should not exceed US$100,000

3.1.4. Investments in Pastoral Systems:

25. This will support the operationalization of the Northeastern Development Initiative (NEDI) and will cover seven out of the eight NEDI counties: Marsabit, Isiolo, Tana River, Garissa, Wajir, Mandera and Lamu. The CSA investments under this subcomponent will be financed under two windows: (i) Community Investments - support to CIGs and VMGs to implement CSA practices; and (ii) County Investments - support to county governments to implement CSA interventions that provide public goods and span across several wards or cross-county areas. Investments financed under these two windows will be consistent with the respective county CSA plans which have been incorporated in the County Annual Plans (CAPs) and CIDPs.

Window 1: Community Level Grants in Pastoral Systems

a) CIG Matching Grants

26. The matching grants will support existing and newly formed CIGs to enable them invest in community CSA micro-projects in extensive/pastoral production systems. With support from SPs, CIGs will prepare micro-project proposals and submit to CPCUs for vetting and recommendation by CTAC and approval by CPSC. Each proposal received from the CIGs shall have three investment windows: (i) implementation
of CSA TIMPs (70 percent); (ii) livelihood diversification (20 percent); and (iii) mainstreaming nutrition (10 percent). Typical interventions of the CSA micro-projects will include forage production; storage and marketing; small-scale fattening operations; water resource development (water pans, sand dams, water harvesting, tubewells or boreholes). The matching grants will range from US$7,000 to US$10,000 to implement and manage their community CSA micro-projects, while allowing each member to derive private benefits.

**Eligibility Criteria for CIG Matching Grants in Pastoral Systems**

27. Common interest groups that will be considered for the matching grants will be selected using the following criteria;

i. Be legally registered the relevant government authorities such as by department of social services with a membership of at least 20 members

ii. Have a constitution developed with the participation of all members.

iii. Have elected officials\(^1\)

iv. Have a management structure in place.

v. Have a group bank account with at least three mandatory signatories

vi. Have a bankable business plan

vii. Will be required to contribute at least 10% of the cost of their micro-projects either in cash or in kind.

28. To increase access to rural finance and enhance the sustainability of project interventions, CIGs will be encouraged to form Savings and Loan groups that will federate into SACCOs. The project would provide matching grants of up to 50 percent of members’ total savings to boost SACCOs’ capital. These intermediary financial institutions will ultimately be linked to micro-finance institutions and commercial banks.

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\(^1\) NEDI is a GoK’s special program that aims at supporting infrastructure (water, transport and off-grid energy) and agriculture development, especially the livestock sub-sector in the marginalized counties of northeastern, based on the recently completed needs assessment and investment plan. Although Turkana is one of the NEDI counties it is not included under KCSAP because it is supported by NARIGP and RPLRP. One of the county selection criteria was that counties that are under NARIGP should not be included under KCSAP.
b) Matching Grants for VMG’s

29. The matching grant will support CSA micro-projects exclusively targeting VMGs. The objective is to empower VMG members and elevate their productive capacity and economic status, so that they fully participate in VCs, POs and SACCOs. With support from SPs, CIGs will prepare micro-project proposals and submit to CPCU for vetting and recommendation by CTAC and approval by CPSC. Each proposal received from the VMGs shall have three investment windows: (i) implementation of CSA TIMPs (60 percent); (ii) livelihood diversification (30 percent); and (iii) mainstreaming nutrition (10 percent). Grants ranging from US$3,000 to US$5,000 will be provided to each VMG depending on the selected and approved micro-project. Approximately 10 percent (US$2.5 million equivalent) of the total grants under Window I will be allocated for support to VMGs. VMG members will not be required to contribute towards the costs of their approved CSA micro-projects.

Eligibility Criteria for VMG matching grants

30. The matching grant will be provided to people who meet the World Bank’s criteria for “marginalization” and the GoK’s criteria for “marginalized” and “minority” communities as described under 5.1: smallholder agro-pastoral production systems investment grants (paragraph 15). The identified individuals will be facilitated to form VMG groups that must meet the following criteria:

i. Be legally registered with the relevant government authorities such as the department of social services
ii. Have a constitution fully developed by all members.
iii. Have elected officials
iv. Have a management structure in place.
v. Have a group bank account with at least three mandatory signatories

Window II: Supporting County- and Cross-County Grants in Pastoral Systems

31. The matching grants will finance selected CSA interventions under the priority livestock sub-sector investments identified by the Needs Assessment and Investment Plan for NEDI counties. Each county will prepare and submit sub-projects for improving productivity and value addition in the extensive pastoral production systems. According to the needs assessment report the NEDI investment priority investments include: (i) rehabilitation and equipping of selected abattoirs;
(ii) development of disease free zones; and (ii) supporting breeding programs and animal feed production. Detailed investment proposals will be developed by CTDs.

32. The GoK and county governments are financing the construction of several abattoirs in the seven NEDI counties. These structures are at different stages of development. KCSAP will prioritize: (i) the upgrading of existing facilities and (ii) equipping two abattoirs strategically located in the primary livestock markets (Wajir and Marsabit) and two others in the secondary markets (Isiolo and Garissa). The grants will also finance the development of complementary infrastructure to operate abattoirs efficiently, such as holding/fattening/resting grounds, reception stockyards, waste/effluent management ponds, and infrastructure to process by-products such as skins and hides.

33. Each of these investments will be accompanied by training programs designed to change the way traders, slaughterhouse management, slaughter men, meat inspectors, and transporters deal with waste management, energy and water use efficiency, bio-security, and meat hygiene and food safety. Each upgraded and equipped abattoir will be subjected to regular inspection to ensure that hygiene standards and safe operational procedures are being maintained.

34. Supporting the development of disease-free zones. The project will explore possibilities of establishing animal Disease Free Zones (DFZs)/Livestock Export Zones (LEZs) in Lamu, Tana-River, Isiolo, Wajir, Marsabit, and Mandera Counties. Initially, support will include feasibility studies and the development of business plans for economically viable investments.

35. These holding areas will be strategically sited with regard to current stock routes, some of which are based along the Lamu Port and Southern Sudan–Ethiopia Transport corridor. DFZs/LEZs will be established based on the concept that livestock targeted for local and export trade that are produced in disease-infected areas can first be subjected to a disease-cleansing process at the production areas. Thereafter, they can be isolated in secured holding grounds to be treated and cleansed of diseases that are a high priority for the livestock trade.

36. The animals screened through these internal holding grounds will eventually be transported to the coastal export certification stations in Kurawa, Buchuma, or Miritini. Animals held at these export certification zones (export quarantine stations) are quarantined for a period acceptable to a trading partner (21–30 days, for instance) while being screened to confirm that they are free from specific diseases in compliance with international livestock movement guidelines.
and import certification requirements. Following certification, the animals will be transported through an agreed transport protocol to the ports for shipment to the destination markets.

37. More specifically, to facilitate the movement of livestock from DFZs/LEZs to destination markets, the project will finance the development of livestock corridors by providing strategically located holding grounds/yards, quarantine areas, water supply, pasture, fodder, feedlots, and demarcated stock routes. The grants will also finance animal health infrastructure, including upgrading of county (and national/referral) veterinary laboratories; and disease surveillance and vaccination programs—for instance, for Peste des Petits Ruminants, Foot and Mouth Disease, Contagious Bovine Pleuropneumonia, Contagious Caprine Pleuropneumonia, Rift Valley Fever, and Newcastle Disease.

38. Given the “public bad” nature of animal diseases and the need for cross-county interventions (such as the development of stock routes/livestock corridors), this activity, if found financially feasible, will be coordinated at the national level by the Department of Veterinary Services, MoALF.

39. Supporting breeding programs and animal feed production. The project will finance the introduction of heat-tolerant animal breeds in the NEDI counties to increase the resilience of the animals and thus of pastoral livelihoods. New, improved, and heat-tolerant animal breeds will be multiplied in county and ward farms/ranches, in conjunction with Subcomponent 2.2 activities (refer to seed manual for details).

40. Breeding programs for camels and small ruminants (sheep and goats) are critical for sustaining livelihoods in these drylands. The grants will also finance the production and distribution of drought-tolerant feed crops. This effort will involve sharing innovations and knowledge on feed production and conservation (feed banks/hay sheds) in county and ward model farms for use by pastoralists during droughts or the dry season.

41. PPP arrangements will be promoted to encourage investment in irrigated fodder/pasture seed and fodder/pasture production (also storage and marketing) along the rivers in Tana River, Isiolo, Wajir, Mandera and Garissa Counties.

42. Support will include the provision of machinery and equipment for fodder/pasture production; examples include tractors, mowers, compactors, pelleters, balers, pulverizers, mixers and the construction of hay sheds and marketplaces. Training of farm staff (managers, machine
operators, and field officers, for example) and the development of PPP business plans will also be supported under these grants.

43. The CTDs will prepare sub-project proposals and submit them to the CTAC for vetting and recommendation for approval by NTAC. NPCU will report to the NPSC on the number and cost of the approved county-level subprojects. Priority will be given to sub-project proposals submitted by two or more counties to address joint resource management and supply chain issues that cut across a number of counties. Examples include the maintenance of cattle corridors for facilitating livestock mobility, or watershed/catchment management for sustainable soil and water management. To be eligible for support, the integrated subprojects must include a combination of activities that together deliver on CSA’s triple outcomes. The list of potential sub-projects includes and not limited to activities detailed in Table A2.1of KCSAP PAD.

Eligibility criteria for County and Cross-County Grants in Pastoral Systems

44. Matching grants will be provided for County and Cross-County sub-projects based on the following criteria;

i. Be consistent with the county CSA plan which is incorporated in the CAP and CIDP.
ii. Demonstrate financial viability (based on cost-benefit analysis) of the investment.
iii. County governments to provide a contribution of at least 20 percent of the total cost of the sub-projects.
iv. Individual subprojects may range from US$200,000 to US$500,000, and counties can submit multiple subprojects up to a maximum of US$1 million.
v. Sub-projects financing for supporting the rehabilitation and equipping of selected abattoirs should not exceed US$2 million per county.
vi. For abattoirs they must be located in local primary or secondary livestock markets and with potential for accessing export markets for meat products.
vii. Abattoirs should be adequately connected to utilities (water, energy) and transport networks.
viii. Abattoirs have bankable business plans for PPP operations and maintenance.
ix. Abattoirs should be located in areas with a large animal population or where livestock marketing routes converge.
x. Abattoirs should be located in areas earmarked as future disease-free zones.

xi. Investments in DFZs/LEZs will be considered only for counties that develop bankable PPP business plans that include clear links to local and export markets.

xii. The maximum project financing for DFZ/LEZ activities will be US$3 million equivalent per county.

xiii. Inter-county subprojects proposals can receive grants of up to US$3 million.
CHAPTER FOUR
4.0 MANAGEMENT STRUCTURE

45. The affairs of the CIGs/VMGs/POs will be governed by their respective constitution and elected officials of a Management Committee. Each CIG/VMG/PO will have at least the following sub-committees from the Management Committee: Executive, Grant management, Procurement, Social Accountability and Integrity Committee (SAIC), among others as the need arises. Sub-committee members of the procurement and grant will be elected from the management committee and must not be in the executive committee. Members of the SAIC will be elected directly by members at the Annual General Meeting to be the watchdog of the members. The management structure of the CIGs/VMGs/POs will be as indicated below (Fig 1):

**Fig 1: Management structure**
46. All CIGs/VMGs/POs are compelled to disclose all material facts relating to the Matching Grants under this project and the management committee will be held singularly and/or severally responsible in case of any missing document or misrepresentation of facts.

47. The CIG/VMG/POs must take the governance structure in line with their registration requirements and must comply with statutory obligations.

48. All organization decisions shall be made in a properly constituted meeting supported with minutes. A properly constituted meeting shall comprise of at least two thirds of the membership of that committee or sub committee.

49. The main roles and responsibilities of the members and the various committees are indicated below:

**Members**

i. Attend all scheduled meetings including Annual General Meeting (AGM)
ii. Consider and confirm the minutes of the previous general meetings and discuss matters arising
iii. Confirm and/or reject admission of new members
iv. Prepare constitution and by-laws and effecting changes when and where necessary
v. Elect management and supervisory committee members
vi. Approval of budgets (for the ensuing year)
vii. Deliberate and ratify proposals made by the management committee
viii. Fill in service delivery certificate after participating in the various programme implementation activities
ix. Transact any other business of the organization in a properly constituted AGM/GM.

**Management Committee**

x. Overall management of the organization’s affairs
xi. Ensure that the organization conforms to relevant legislation such as local authority by-laws, the provisions of the labour laws, Public Health Act, NEMA Act, Factories Act and any other relevant laws.
xii. To constitute subcommittees; executive, procurement and grant management
xiii. To implement the resolutions of the members.
xiv. To authorize procurement of goods and services.
xv. To guide in the overall work planning and budgeting process.
xvi. To prepare and submit reports and documents as may be required.
xvii. The custodian of all documents of the organization.
xviii. To guide in case of disposals of any goods and assets.
xix. To approve of financial management reports before they are tabled to the members.

**The Executive Committee**

50. The Executive committee consist of the Chairperson, Vice chairperson, Secretary and Treasurer who oversee the day to day operations of the organization. Members of the executive committee will not be expected to sit in any other sub-committee of the management committee. The main roles of the Executive Committee include:

i. Supervise all the organizations activities.
ii. Receive procured inventories and consumable goods and stores from the Procurement sub-committee (See annex 2A & 2B)
iii. Ensure proper utilization of assets and consumables, goods and services procured by the organization.

**Procurement sub-committee**

51. The Procurement sub-committee will be responsible for planning and procuring all works, goods and services on behalf of the organization in the manner prescribed in the revised Community Procurement Manual and Finance Management Manual. It will consist of at least five members from the management committee, who will not be members of the executive committee. Roles of the Procurement Sub-committee include:

i. Procure all works, goods and services which meet the requirements of the organization.
ii. Responsible for floating, opening and adjudication of bids, tenders and quotations.
iii. Ensure that the procurement process is guided by the principles of economy, efficiency, equal opportunity, transparency and openness.
iv. Maintain a stock register where all receipts and issues will be recorded (See Annex 2A).
v. Inspect, verify and issue goods and services procured to users using the prescribed form Annex 2B.
vi. Supervise maintenance and servicing of equipment and endorse payment for such services rendered.
vii. Ensure proper installation of equipment and/or machinery where necessary.
viii. Take custody (storage) of goods, identify any obsolete and non-functioning inventories and make recommendations for disposal of such inventories to the management committee.
ix. Ensure that the premises intended to house the machinery and equipment are identified, renovated and or rehabilitated and all the necessary agreements and contracts are signed before they are procured.
x. In consultation with the management committee, ensure that the assets of the organization are insured.

N/B: The organizations must seek assistance from Procurement specialists at CPCU/NPCU in drawing the equipment and machinery specifications before procurements are effected.

**Grant Management Sub-committee**

52. The management committee of the organization will elect three members to the Grant Management sub-committee to oversee the management of grants. The roles of this sub-committee are;

i. Planning/budgeting for community and micro-projects.
ii. Open and operate KCSAP bank account with a commercial bank, which will be operated by all the three members being mandatory signatories. A KCSAP bank account will be opened by all the organizations receiving KCSAP grants.
iii. Fast tracking the implementation of micro-project proposals.
iv. Participate in the development and implementation of contracts.
v. Coordinate and supervise projects.
vi. Fill Beneficiary Certification and Procurement Report for organization projects
vii. Receive requisition for projects materials and equipment from the management committee and forward to CPCU for verification.
viii. Prepare a report for the management committee

**Social and Accountability and Integrity Committee (SAIC)**

53. There shall be an SAIC Sub-Committee consisting of three members who will put in place internal control mechanisms to ensure proper utilization of organizational resources as prescribed in the organization’s by-laws to minimize operational risks. The roles of SAIC are:

i. To set up internal control mechanisms for the smooth running of the organization
ii. To ensure the organizations expenditures are in accordance with predetermined estimates (approved budgets).

iii. To ensure activities and procurement of goods and services are in line with Matching Grant accounting form (Annex 6) and Matching Grant proposal guidelines (Annex 7)

iv. To investigate any misappropriations of resources

v. To prepare audit reports to be presented to the full management committee as need may arise.

vi. To seek external intervention on behalf of the organization as need may arise.

vii. Ensure that the assets and equipment procured are not misused or misapplied

viii. Receive implementation report from management committee and raise the red flag or report any corrupt practices through supervisory sub-committee.

ix. Handling complaints and grievances
CHAPTER FIVE
5.0 DEVELOPMENT OF MATCHING GRANT PROPOSALS

5.1 Preparation of the Proposal

54. The primary responsibility for formulating proposals rests with the CIGs/VMGs/POs with the guidance of the Service Provider. For a CIG/VMG/PO to qualify for the matching grants, it should have a membership comprising at least 20 members whose membership is in accordance with the group constitution. For proposal in Window I and II, the CPCUs will be expected to coordinate, but not lead, the proposal development process. In particular, the CPCU will identify institutional linkages that will be required to ensure smooth and effective implementation of the proposals. In order to ensure effective back-stopping, at least one value chain based Service Provider firm should be reliably associated with each proposal that is approved for funding. For benefiting POs and PFs under Window III, KENAFF and State Department for Cooperatives will be expected to coordinate, but not lead the business plans proposal formulation process. KENAFF and the State Department for Cooperatives will develop criteria for aiding development and assessment of business plans. Key guidelines to assist CIG/VMG/PO in developing proposals are given in Annex 7.

5.2 Grant Proposal Appraisal and Approval

55. Matching Grant micro-project proposals under window I submitted to CPCUs must undergo initial technical screening and recommendation by CTAC. None of the CTAC members should have participated in the formulation of the proposals. The CTAC will also be responsible for technical advice and quality assurance of matching grants investments and services provided by SPs at county level. Under window II, proposals will be appraised and recommended by CTAC at the county level and forwarded for approval by NTAC. Business plans/Proposals submitted under window III will be reviewed by a sub-committee of NTAC comprising of a representative of State Department of Agriculture (SDA), State Department of Livestock (SDL), State Department of Fisheries (SDF), State Department for Co-operatives (SDC), State Department of Trade (SDT) and approved by NTAC.

56. All applications received will be logged in an electronic register and given a reference tracking
number. The application should be accompanied by a separate form indicating the geographical coordinates of the proposed micro project, the name of the CIG/VMG/PO, and the nature of the project in accordance with a unified classification to be provided by KCSAP M&E system. This is applicable across all the three windows.

57. The appraisal shall include site visits to confirm information provided in the proposal including the geographical coordinates. The service provider shall assist the CIGs/ VMGs/POs in obtaining the geographical coordinates. The M&E assistant at the CPCU will verify the information contained in the application. Following screening, all approved proposals (together with the independent assessments) will be shared with the KCSAP M&E system. Under window I, upon approval by the CTAC the CPCU will inform the applicants, in writing, of the outcome of the approval process. In cases where approval is pending awaiting incorporation of recommended adjustments to the proposal, CPCU staff together with the respective Service Provider will assist as may be necessary in making the required adjustments. In cases where applications are rejected in windows I & II, the CPCU Coordinator will write to the Chairman of the CIG/VMG/PO and the service provider with an explanation on the rejection of the application.

58. Under window III, upon approval by the NTAC, NPCU will inform the applicants, in writing, of the outcome of the approval process. In cases where approval is pending awaiting incorporation of recommended adjustments to the proposal, NPCU will assist as necessary in making the required adjustments. In cases where applications are rejected, the NPCU will write to the chairman of the PO/PF with a brief explanation on the rejection of the application.

59. Details of all approved proposals must be posted on KCSAP website and various public notice boards, especially at the Chiefs, Sub-county, County, County Commissioners offices, Churches, Mosques, Temples, Public and/or Social halls. The CPCUs should also use any other available media to disclose to the public the names of the groups and/or organizations, areas of support, location and the approved and disbursed levels of funding of each proposal.

5.3 Implementation and Monitoring and Evaluation

60. The implementation of all project activities will be the responsibility of the CIG/ VMG/PO, and their respective Service Providers with support from the CPCU and NPCU.

61. The CIG/ VMG/PO will, through the guidance of the service provider, prepare and submit
quarterly and annual progress reports to the CPCU and NPCU. A completion report, focusing on results obtained and the likely or apparent outcomes and impact will be submitted by the service provider as a prerequisite for authorization of the final payment for services provided to the CIG/VMG/PO.

62. Monitoring and Evaluation will be done in a participatory manner and each CPCU is responsible for reporting to the NPCU on the progress of the implementation of funded projects. Reports will be submitted on quarterly basis. The report will cover approvals, funds disbursed, reports received, and an overview of progress under each of the approved grants. The reports will include any other issues that the CPCU may raise for discussion and recommendation by the NPCU. The CPCU and the NPCU will regularly arrange supervision visits to all funded projects and activities. The M&E Officer at NPCU Office will upload on the web the Management Information System (MIS) information captured at the approval stage and update the project status regularly including photos and video clips on project implementation. On the website the project will map the locations and basic information on each approved project including name, type of activities funded, budget and key contacts. In order to undertake the M&E function, the CPCUs will utilize proceeds budgeted for this purpose in the CPCU work plans and budgets.

5.4 Capacity Building for CIG/VMG/PO and SPs

63. For the CIG/VMG/PO and their SPs to perform the functions indicated above, they will be provided with appropriate training. Packaging of training materials for use by SPs will be coordinated by NPCU in collaboration with KALRO, KMFRI, KMD, KENAFF, Universities and line ministries. The training content will cover:

i. Group dynamics and governance; EDP/BP preparation and execution; Agribusiness and entrepreneurship skills; Production; CSA TIMPs.

ii. Awareness on rights and responsibilities of members with regard to social and environmental safeguards; avoiding and reporting corrupt practices; channels for reporting and resolving grievances e.g. telephone, SMS, email and suggestion boxes

iii. Procurement and Financial procedures and practices

iv. Planning, reporting and monitoring of projects.
CHAPTER SIX
6.0 MATCHING GRANT AGREEMENTS/ CONTRACTS

64. Following all projects approval, all parties, including leaders of the CIG/ VMG/PO, must sign a Service Provision Contract between them and contracted extension service providers, which will be attached to the original proposal. Also attached will be an agreed work-plan and budget and schedule of activities. A copy of the full set of documents will be forwarded to KCSAP NPCU for post-approval review and retention in a county specific file. Sample contract documents are given in Annex 8. The beneficiary communities or groups will also be required to enter into agreement with their respective Counties (Annex 10).
7.0 PROCUREMENT

65. At the Community level, the CIG/VMG/PO management committee will be expected to form Procurement Sub-committees. The Sub-Committees will work closely with the CPCU procurement assistants to assist the organizations in the procurement of their requirements under all Grant projects. These procurements will be guided by the “KCSAP Procurement Manual” (Annex 9).
CHAPTER EIGHT
8.0 EFFECTIVE DATE:

66. This Matching Grant Manual will come into effect in January 2018 or as soon as the project is launched.
CHAPTER NINE
9.0 RESPONSIBILITY FOR IMPLEMENTATION

67. The persons and entities listed below are responsible for the effective implementation of this Manual. It is envisaged that they will use their best judgement and efforts to ensure that the manual is properly and successfully implemented.

i. KCSAP NPCU Coordinator, Component 1 Coordinator, Finance Officer/ Project Accountant and Procurement Officer.

ii. NTAC, NPSC

iii. CPCUs Coordinators, County Finance Assistant/Project Accountants, and Procurement Assistants.

iv. CTAC, CPSC

v. Grant Sub-Committee members of CIG/VMG/PO implementing entities and agencies,

vi. Service Providers.

vii. MOA/ KCSAP Internal Audit Team

viii. Any other relevant stakeholder as per the Project Implementation Manual
CHAPTER TEN
10.0 KCSAP’S GENERAL REQUIREMENTS ON BANK ACCOUNT

68. As a general rule, every CIG/VMG/PO is required to open a new Project Bank Account in the name of the organization. The bank charges applicable to this account may be charged to KCSAP expenses of the CIG/VMG/PO, and must be captured in the Grant Proposal budget.

69. The Project bank account for specific CIG/VMG/PO will be operated by the authorised official signatories of the organizations.

70. A CIG/VMG/PO will nominate three signatories one of whom should be the group treasurer, authorised to operate the account, of which all three signatories will sign the cheque or other bank documents on behalf of organizations.

71. All receipts from sale of output or income generated by CIG/VMG/PO should be promptly deposited in the bank account, and the ‘pay-in-slip’ filed. All expenses incurred by the organizations should be properly recorded.

72. Monthly ‘bank statement’ should be obtained by CIG/VMG/PO from the bank, and a Bank Reconciliation Statement prepared by the organization every month, not later than 10th day of the following month.

73. The Bank Reconciliation Statement should be signed by the Treasurer of the CIG/VMG/PO, and a copy of the same forwarded to the Coordinator CPCU who will then forward a copy to NPCU Coordinator along with the monthly progress report.

74. The original Bank Reconciliation Statement should be filed, along with the monthly bank statement and progress report for the respective month.
CHAPTER ELEVEN
11.0 PROGRESS REPORTS

75. The CIG/VMG/PO/PF shall prepare a Monthly Progress Report - MPR (see Forms MGM 3, 4A, 4B, 5) within 10 (ten) days after the end of the month, and forward the same to CPCU coordinator for onward dispatch to NPCU. Similarly, all monthly CIG/VMG/PO income-generating activities will be reported using the organization’s monthly Income Generating Report form (see Form 6B). The MPR should be made available to other members of the CIG/ VMG/PO/PF. The organizations shall prepare a monthly financial summary as outlined below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amounts (KShs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KCSAP Activities</td>
</tr>
<tr>
<td>Balance at the beginning</td>
<td></td>
</tr>
<tr>
<td>Receipts during the month</td>
<td></td>
</tr>
<tr>
<td>Payments during the month</td>
<td></td>
</tr>
<tr>
<td>Balance at end of month</td>
<td></td>
</tr>
<tr>
<td>Balance as per bank statement</td>
<td></td>
</tr>
<tr>
<td>Activities financed, notable achievements</td>
<td></td>
</tr>
<tr>
<td>Signature of CIG/VMG/PO/PF,</td>
<td></td>
</tr>
<tr>
<td>Secretary:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>Signature of CIG/VMG/PO/PF,</td>
<td></td>
</tr>
<tr>
<td>Chairman:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
</tbody>
</table>

Note: All receipts and payments pertaining to the KCSAP operations should be entered under
the KCSAP Column. The objective is to identify the amount applicable to KCSAP operations, in respect of receipts, payments and closing balance. At the same time, all receipts identified with the income generating activities being implemented by the CIG/VMG/PO/PF, should be entered under CIG/VMG/PO/PF column. This will facilitate identification of the closing balance between KCSAP funds and funds belonging to the CIG/VMG/PO/PF. A steady increase in the closing balance will be a good indicator of the growth and development of the CIG/VMG/PO/PF.

11.1 Stock Register - Form MGM -2A and Form MGM -2B

76. Every CIG/VMG/PO/PF should maintain a stock register in the prescribed format. This should be a bound book or analysis register with suitable columns and every column entered with the appropriate particulars.

i. There are 16 columns in the Stock Register, - columns 1 to 8 on the left hand side and columns 9 to 16 on the right hand side. The particulars of the individual columns are self-explanatory.

ii. Entries in the Stock Register should be posted every day, and authenticated by the responsible officer of CIG/VMG/PO/PF. Entries should be made in ink or ball point pen, but NOT in pencil.

iii. All purchases of supplies/goods and services should be entered in the stock register, with the relevant particulars. The “Entry No.” should be a running serial number, starting from 1. This number should also be indicated on the individual supporting voucher, as applicable.

iv. In case the ‘cash sale’ or ‘receipt’ for a purchase is not available, please indicate NA (Not Available) in Column (4). In such cases, a declaration in Form CGM–2 should be prepared, indicating the entry number to link the purchase in the stock register. The Declaration Form Number should be entered in Column (8) to facilitate cross reference.

v. At the end of the month, a photocopy of the stock register duly certified as a true copy of the original by the responsible officer should be attached to the accountability report submitted by the CIG/VMG/PO/PF to the CPCU Coordinator, along with all available supporting documents, which will also include the Declaration Forms (Form MGM –2).

vi. The original stock register should be kept in a safe place and made available to the visiting KCSAP staff from NPCU, members of the CPCU, or delegates from the World Bank.
11.2 Declaration on purchase of Goods and services

77. The Declaration on purchase of goods and services form (Annex 3) is prepared in triplicate, with all particulars and signed by the appropriate person. A running serial number is assigned to every form, and the serial number is entered in column (8) of the stock register.

i. This form is prepared if no cash bill or receipt is available for particular purchase; an acknowledgement note from the vendor should be attached.

ii. The original form should be attached to the certified copy of the Stock Register and submitted to the CPCU Coordinator as a part of accountability documents. For POs/ PFs benefiting from the grants under window III, signed copies of the stock register and declaration form will form part of the accountability documents for CPCU. The duplicate should be filed in a box file as per serial number, to be retained at CIG/VMG/PO offices.

11.3 Monthly CIG/VMG/PO/PF Status Report - Form: CGM – 3

78. This report (Annex 4A) is prepared by the CIG/VMG/PO/PF, on a monthly basis, to monitor the progress of advances made to the individual micro-projects or activities of CIG/VMG/PO/ PF, accountability received from the individual members or a group of members implementing those micro-projects or activities, and the balance outstanding at the end of the month, against individual micro-projects or activities. Copies of this report should be distributed to: CPCU Coordinator, NPCU Coordinator and Finance Officer/Project Accountant. This report will be prepared by the CIG/VMG/PO/PF with the assistance of the CPCU.

11.4 Quarterly KCSAPCPCU Accountability Report - Form: MGM – 4B

79. This report is prepared by the CPCU Accountants to monitor the progress of accountability received from the CIG/VMG/PO/ PF, against advances made to them, and the level of balances outstanding at the end of the month. A separate entry will be made in this report, in respect of CPCU Overheads.

80. Copies of this report shall be distributed to: CPCU and NPCU Coordinators, and the NPCU Project Accountant.
11.5 Quarterly KCSAP CPCU Funds Allocation Report to NPCU – Form: MGM – 4C

81. This report is also prepared every quarter by the CPCU Accountant. Copies of this report should be sent to: CPCU Coordinator, NPCU Coordinator and Project Accountant. The report will outline expenditures and forward budget requirements for the preceding period.

11.6 Quarterly KCSAP Accountability Report to World Bank - Form: MGM- 5

82. This report will be prepared at NPCU by the Accountant. The purpose of this report is to monitor the progress of accountability against the advances made to the individual CPCUs every quarter.

11.7 Processing of accountability documents by the CPCU Accountants

83. With the implementation of this Manual, the CPCU accountants will be able to process the accountability documents, when some of the purchases are not supported by cash bills or receipts. Under this Manual, as an alternative, they will accept the signed declaration in Annex 3 as explained above. It will be certified as true copy of the original of stock register in Annex 2A & 2B will be considered as an acceptable record of supplies and services purchased and used by the CIG/VMG/PO/PF.

84. As a result of the above simplification of work, the CPCU accountant will be able to process the accountability document with minimum delay and thus speed up the flow of funds.
CHAPTER TWELVE
12.0 FUNDING AND DISBURSEMENT

85. Before any funds are disbursed to the county for matching grants, the counties are expected to sign a participation agreement with MOALF. Thereafter, the respective counties will sign a Memorandum of Understanding/ Community Development Agreement with the beneficiaries (Annex 10).

86. Beneficiary/community bank accounts will be opened at commercial banks acceptable to World Bank/ IDA.

87. Funds will be disbursed from the CPA at CBK or in financial institutions acceptable to World Bank/ IDA, directly to the Community Accounts (CAs) at commercial banks, once they have met the eligibility criteria.

88. The CRF accounts will be replenished from DA-1. Each CPCU shall maintain a detailed inventory of all the CAs.

89. NPCU shall maintain a similar inventory of all the DAs, PAs, CPAs and CAs under the project. The bank account inventory shall provide details but not limited to account name, beneficiary name, account number, bank, branch, branch location, signatories and specimen signatures, and account operating mandates.

90. The CPCU will furnish monthly accountability report to MoALF/KCSAP NPCU, along with (a) copy of bank statement (b) bank reconciliation statement (c) cash book (d) summary of expenses, showing amounts disbursed to each CIG/VMG/PO duly supported by paid vouchers, and (e) a copy of the stock register (as explained earlier) together with Declaration Form, wherever applicable. In addition, the CPCU will submit a progress report monitoring the progress of the projects against documented and agreed milestones/indicators.

91. The project will adopt the Statement of Expenditure (SoE) method of disbursement. In case some of the documents attached to the accountability report furnished by a CPCU are deficient, the corresponding amount will be reduced accordingly. A letter will be sent to the CPCU accountant, explaining the deficiency and requesting for submission of the missing document(s) or rectification of the deficiency. Such letters will be copied to CPCU Coordinator for follow-up.
Flow of Funds from CPCU to CIG/VMG/PO

92. Disbursements to a CIG/VMG/PO will be based on work plans and budgets for the micro-project, as well as disbursement schedule indicated by the CIG/VMG/PO in the proposal.

93. Generally, initial disbursement will be for three months requirement, or in specific cases, based on agreed payment schedule linked to the work programme. Each release of funds by CPCUs to the CIG/VMG/PO will be subject to signed undertaking furnished by CIG/VMG/PO representatives to the effect that ‘surrenders’ would be submitted prior to the next release of funds.

94. CIG/VMG/PO will submit accountability reports on a monthly basis to the CPCUs, in the prescribed format, which should include (a) copy of bank statement (b) bank reconciliation statement (c) cash book (d) summary of expenses, duly supported by paid vouchers, and (e) a copy of the stock register (as explained earlier) together with Declaration Forms, wherever applicable. In addition, the CIG/VMG/PO will submit a progress report monitoring the physical progress of the projects.

95. CPCUs will release funds to the CIG/VMG/PO based on the accountability reports, on a monthly basis. Where distances make monthly submission difficult and expensive, the accountability could be submitted on an agreed time schedule e.g. every two months. CPCU Accounts Staff shall ensure that the total amount released to a CIG/VMG/PO is in line with the budget ceiling for the current fiscal year.

96. Money advanced to CIG/VMG/PO will be considered as expenditure only when it is applied for the intended purposes and as detailed in the respective CIG/VMG/PO funding proposal. It is a requirement that the audit function of the project samples 30% of all the KCSAP funded projects.
Opening of Bank Accounts

97. All CIGs/ VMGs/POs being supported through Matching Grants will be expected to open a KCSAP bank account at the CBK or financial institutions acceptable to IDA. The CIGs/VMGs/POs must be duly registered by relevant authorities. A copy of registration certificate, minutes of meeting recommending opening of bank account and a forwarding letter by the registering authority will be used for this purpose. All cheque payments and withdrawals must be signed by the Chairperson/Vice Chairperson, Secretary and Treasurer.
CHAPTER THIRTEEN
13.0 SOCIAL ACCOUNTABILITY AND DISCLOSURE

98. Apart from promoting transparency and accountability in the use of grant resources, the public disclosure is also intended to provide a forum for show-casing and sharing best practices. In addition to public disclosure measures, upon approval of community projects, further measures will require:

i. Beneficiary CIGs/VMGs/POs/ PFs to disclose their utilization of the Matching Grants and their progress in the implementation. This will entail displaying a summarized report on grant beneficiaries, type of value chains and interventions supported at the following locations where applicable: Notice Boards of the CPCU offices, ward, sub-county and county administrative and agricultural offices; and Chief ’s office at village level.

ii. All approved projects to be geo-mapped and posted on the KCSAP website indicating location, amounts approved, utilized, name of CIG/VMG/PO/PF, membership and type of value chain.
CHAPTER FOURTEEN
14.0 GRIEVANCE HANDLING MECHANISM

99. The grievance handling procedures are included in the Environmental and Social Management Framework (ESMF). KCSAP has a functional grievance handling mechanism for reporting and resolving complaints raised by project beneficiaries. During the implementation of KCSAP, all projects will maintain a complaint record database to enable complaint-tracking and review.

100. A complaint handling committee will be established involving County Grievances Committee where applicable. The committee will be at community, ward, sub-county and county levels and will give their reports to CPCU. The mechanism will utilize tools and devices such as telephones, opinion/suggestion boxes placed at CPCU offices, ward, sub-county and county administrative and agricultural offices; and Chief’s office at village level. The reporting will be integrated with KCSAP M&E system for effective processing and monitoring. A well designed and functioning KCSAP GHM for KCSAP will confer the following advantages:

i. Provide feedback to different levels of the project management on project performance

ii. Will outline the composition of committee members

iii. Act as an early warning mechanism to address grievances for timely intervention thereby preserving project integrity and its reputation.

iv. Generate public awareness about the project and its objectives and increase stakeholder involvement

v. Reduce risk for fraud and corruption practices

vi. Provide project staff with practical suggestions/feedback;

vii. Promote accountability, transparency and responsiveness to beneficiaries

viii. Assess the effectiveness of internal organizational processes

ix. Provide vulnerable and marginalized groups with a channel for making their concerns known.

101. Project complaints are likely to emerge from three levels: a) at community projects level; or b) project staff; c) Stakeholders level. Complaints can be launched at any point in the projects organization structure. The key elements of the revised GHM design are shown the Figure 1 below:
Figure 1: Procedure for Grievances Handling

1. Receive and log complaints
2. Acknowledge complaint
3. Sort and categorize
4. Clarify / Investigate
   - True → Action
     - Resolved
     - Not Resolved
   - False → Escalate complaint to higher level

KEY
- Flow of Complaint
- Feedback
102. **Uptake of complaints or suggestions at various locations:** Complaints, suggestions, compliments, queries or comments may be reported at any of the project implementing institutions using the following methods: Letters, E-mails, text messages, verbal narration from walk-in complainants and phone calls, social media, reports from project staff, independent monitors, supervision teams, government officials, or any interested persons or special groups like IPs, elderly people, consultants, NGOs, journalists and other interested stakeholders. To facilitate reporting of complaints from these diverse sources, communications channels will be prominently displayed. This will include dedicated telephone lines, fax, email addresses, and suggestion boxes. All complaints will be serially entered in a Complaints log book, which will be maintained at all project offices for ease of tracking. A focal person will be appointed to handle complaints. The focal person at each level will capture the complaints into the logbook/register and forward them to the Officer in Charge for entry into the MIS.

103. **Acknowledgement of complaints:** The officer in charge of complaints at each level will acknowledge receipt of the complaints, queries or suggestions promptly through the channel it was received and forward to the grievances handling committee. The timelines for receipt of feedback will be determined by the type of complaint.

104. **Sorting and verification:** After receipt of the complaint, it will be logged and categorized for appropriate action. The focal person will gather relevant information to authenticate and verify the complaint raised by cross-referencing with the appropriate offices. The complainant should be encouraged to cooperate with the focal person by submitting their contact information and factual details relating to the complaint where necessary.

105. **Processing of Complaints:** Once the verification process is concluded and the outcome of the complaint is determined with concrete evidence, the following actions will be taken:

   i. If the complaint is false, the complainant will be appropriately informed

   ii. If the complaint is true and valid, appropriate action will be taken by the relevant authority and the complainant informed accordingly.

   iii. If the complaint is true but not relevant to the KCSAP project, the complainant will be appropriately advised.

106. In case the complainant feels that the complaint launched has not been satisfactorily resolved or responded to, they can appeal in writing to the next level.
Grievances Handling Procedures

107. Grievances arising from the project will be reported and resolved at various levels starting at Community and escalating upwards to CPCU, NPCU depending on the nature of the complaint:

i. Members will be sensitized during community mobilization of the project on grievances handling procedures and conflict management.

ii. For complaints involving members of CIGs/VMGs/POs, they will be encouraged to report and resolve issues at organization level through their management and supervisory committees. Members may also apply their customary dispute resolution mechanisms.

iii. If after exhausting the project institutional structures, beneficiaries are still dissatisfied with explanations and solutions offered, they will have the option of seeking legal redress or refer to the Office of the Ombudsman.

108. Complaints Monitoring: The effectiveness of complaints handling procedures will be monitored and assessed during the project’s mid-term review. All complaints will be recorded, logged in a register to be maintained at CPCUs and NPCU, collated, analyzed and acted upon accordingly. Complaints and their actions will be reported in quarterly and annual project progress reports. A complaints reporting form will be designed before the launch of the project and be used to sensitize communities on GHM. The form will facilitate integration of GHM into the MIS for effective tracking of complaint handling. The form will also standardize complaints reporting which is useful for analysis and comparability between all counties implementing the project.
ANNEXES
### ANNEX 1: GRANT PROPOSALS ASSESSMENT CRITERIA

**KCSAP - WORLD BANK/ IDA Credit P154784**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score (%)</th>
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</thead>
<tbody>
<tr>
<td>Relevance to KCSAP objectives of increasing agricultural productivity building resilience to climate change risks and reduction of greenhouse gas emissions</td>
<td>10-15</td>
</tr>
<tr>
<td>Innovativeness (potential contribution of proposed activities towards up-and out scale- CSA TIMPs based on geographic region:</td>
<td>0-15</td>
</tr>
<tr>
<td>Institutional feasibility of the Service Provider consortium (giving special attention to track record and staff capacities and competencies):</td>
<td>0-5</td>
</tr>
<tr>
<td>Economic viability as demonstrated by positive gross margins and income levels to CIG/ VMG/PO/PF</td>
<td>0-15</td>
</tr>
<tr>
<td>Sustainability attributes beyond KCSAP support:</td>
<td>0-15</td>
</tr>
<tr>
<td>Synergies /Complementaries with other projects:</td>
<td>0-5</td>
</tr>
<tr>
<td>Expected impact in relation to poverty alleviation, food and nutrition security and resilience to climate change risks:</td>
<td>0-15</td>
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<tr>
<td>Cost effectiveness in relation to number of beneficiaries and operational costs:</td>
<td>0-10</td>
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<tr>
<td>Sensitivity to gender social concerns and social/environmental safeguards</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td><strong>0- 100</strong></td>
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# ANNEX 2A: STOCK REGISTER AT CIG/VMG/PO/PF FOR MOVEMENT OF GOODS & SERVICES FINANCED UNDER KCSAP

**KCSAP-WORLD BANK/IDA Credit P154784**

**Name of the CIG/VMG/PO/PF**

**Left Hand Side of Stock Register**

Form: MGM - 2A  (page 1 of 2)

<table>
<thead>
<tr>
<th>Entry No.</th>
<th>Date of Receipt</th>
<th>Description of goods &amp; services</th>
<th>Cash sale /Receipt No. / Date</th>
<th>Unit &amp; Quantity received</th>
<th>Total Value KShs</th>
<th>Name, ID &amp; signature of officer who received the Goods and Services on behalf of CIG/VMG/PO/PF</th>
<th>Declaration No: and date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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1. All purchases should be entered in the stock register. The ‘Entry No:’ should be a running serial number. This number should also be indicated on the individual vouchers, as applicable.

2. In case ‘Cash Sale/Receipt’ is not available, please indicate NA under column (4). In such cases, a Declaration should be completed in Form CGM-2, indicating the corresponding ‘Entry Number’ to identify the purchase in the Stock Register.

3. The Declaration Form serial number: should be entered in column (8) above to facilitate easy cross reference.
ANNEX 2B: STOCK REGISTER AT CIG/VMG/PO/PF FOR MOVEMENT OF GOODS AND SERVICES FINANCED UNDER KCSAP

KCSAP- WORLD BANK/ IDA Credit P154784

Right Hand Side of Stock Register FORM: MGM - 2B (page 2 of 2)

<table>
<thead>
<tr>
<th>Quantity Received as per Item (5)</th>
<th>Date</th>
<th>Quantity issued</th>
<th>Balance after issue (9 – 10)</th>
<th>Name &amp; address of CIG/VMG/PO/PF to which issued</th>
<th>Name, ID, and Signature of the Officer receiving Supplies</th>
<th>Verified by KCSAP Back-stopping Service provider</th>
<th>Endorsed by KCSAP CPCU Coordinator</th>
<th>Endorsed by National KCSAP NPCU (During his/her visit)</th>
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<tbody>
<tr>
<td>(9)</td>
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1. The Stock Register is to be maintained in bound analysis book at the CIG/VMG/PO/PF premises.
ANNEX 3: KCSAP ACCOUNTABILITY REPORT DECLARATION ON PURCHASE OF GOODS AND SERVICES Form: MGM 3
KCSAP - WORLD BANK/ IDA Credit P154784

<table>
<thead>
<tr>
<th>Entry No. In Stock Register</th>
<th>Date of Receipt</th>
<th>Particulars of goods &amp; services</th>
<th>Total Value shs</th>
<th>Name, ID, Position &amp; signature of officer purchasing the item</th>
<th>Certified by Chairman/ Secretary of CIG/VMG/ PO/PF</th>
<th>Certified by Backstopping Service provider/</th>
<th>Endorsed by KCSAP</th>
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**Note:** This form should be numbered according to running serial number, and dated. This should be prepared and signed in duplicate. The original should be attached to the photocopy of the stock register, submitted along with the accountability report.
ANNEX 4A: KCSAP MONTHLY CIG/VMG/PO/PF ACCOUNTABILITY REPORT

KCSAP- WORLD BANK/ IDA Credit P154784

Name of the CIG/VMG/PO/PF Month… Form :
MGM – 4A

<table>
<thead>
<tr>
<th>Name of CIG/ VMG/PO/ PF and Title of funded project</th>
<th>Balance at Beginning</th>
<th>Funds released during month</th>
<th>Accountability Received during the month</th>
<th>Balance at Month end</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Cumulative</td>
<td>Current</td>
<td>Cumulative</td>
</tr>
</tbody>
</table>

Prepared by: CPCU Accountant

Endorsed by: M&E Officer

Signed by: CPCU Coordinator

Note: This report should be prepared, by CPCU Coordinator every month and forwarded to the KCSAP National Coordinator and by the 10th day of the following month.
# ANNEX 4B: KCSAP QUARTERLY CPCU ACCOUNTABILITY REPORT

**KCSAP-WORLD BANK/ IDA Credit P154784**

Name of the CPCU: MGM – 4B  

<table>
<thead>
<tr>
<th>Name of CIG/VMG/PO/PF</th>
<th>Balance at Beginning</th>
<th>Funds released during the Quarter</th>
<th>Accountability Received during the Quarter</th>
<th>Balance at end of Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Current</td>
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<td>Current</td>
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<td>Cumulative</td>
<td>Cumulative</td>
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</tbody>
</table>

Prepared by: CPCU Accountant  
Endorsed by: M & E Officer  
Signed by: CPCU Coordinator

**Note:** This report should be prepared every Quarter by the CPCU Coordinator and forwarded to the KCSAP National Coordinator, by the 10th day of the first month of the preceding quarter.
# ANNEX 4C: KCSAP QUARTERLY CPCU FUNDS ALLOCATION REPORT

**KCSAP- WORLD BANK/ IDA Credit P154784**

**Name of the CPCU:** MGM – 4 C

<table>
<thead>
<tr>
<th>Name of CIG/ VMG/ PO/ PF</th>
<th>Balance at the Beginning of the quarter</th>
<th>Funds received during quarter</th>
<th>Funds advanced to of CIG/ VMG/PO/PF during the Quarter</th>
<th>Balance at End of the quarter</th>
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<td>Current</td>
<td>Cumulative</td>
<td>Current</td>
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</table>

**Prepared by:** CPCU Accountant  
**Endorsed by:** M & E Officer  
**Signed by:** CPCU Coordinator

**Note:** This report should be prepared every quarter and forwarded to the KCSAP National Coordinator, by the 10th day of every month beginning the preceding quarter.
ANNEX 5: QUARTERLY KCSAP ACCOUNTABILITY REPORT (KShs)
KCSAP-WORLD BANK/ IDA Credit P154784
IDA/ KCSAP CREDIT ACCOUNT/ MGM – 5

<table>
<thead>
<tr>
<th>CPCU</th>
<th>Balance at beginning of the Quarter</th>
<th>Amount paid during the Quarter</th>
<th>Accountability received during the Quarter</th>
<th>Balance outstanding at end of Quarter</th>
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</thead>
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<td>Current</td>
<td>Cumulative</td>
<td>Current</td>
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This should be every quarter, by the 10th day of every month beginning the preceding quarter
**ANNEX 6A: MATCHING GRANT ACCOUNTING FORM: MGM – 6A**

**KCSAP- WORLD BANK/ IDA Credit P154784**

<table>
<thead>
<tr>
<th>Details</th>
<th>KCSAP</th>
<th>CIG/VMG/PO/PF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Receipts during the month:</td>
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<tr>
<td>Date</td>
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<tr>
<td>Amount</td>
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<td>(Give brief details)</td>
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<tr>
<td>Total</td>
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<td></td>
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<tr>
<td>Sub-total (Balance at beginning + Total receipt)</td>
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<td>(A+B) =(C)</td>
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<tr>
<td>Deduct: Payments:</td>
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</tr>
<tr>
<td>(As per cash book summary for the month) (D)</td>
<td></td>
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</tr>
<tr>
<td>Balance at month end (C-D) =(E)</td>
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</tbody>
</table>

Balance as per bank statement attached (F)

Attach Bank Reconciliation Statement explaining the difference, if any, between (E) and (F)

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th>Date</th>
<th>Signature of CIG/VMG/PO/PF Secretary &amp; Date</th>
</tr>
</thead>
</table>

Counter signed by: CPCU Accountant:

| Signature of CIG/VMG/PO/PF Chairman & Date |

Forwarded to CPCU and / or NPCU on:

| Received by CPCU and/ or NPCU on: |

Yes/ No (Tick as appropriate, and explain the reason, if the answer is No)
# ANNEX 6 B: COMMUNITY MONTHLY INCOME GENERATION REPORT
## KCSAP- WORLD BANK/ IDA Credit P154784

<table>
<thead>
<tr>
<th>Name of CIG/VMG/PO/PF:</th>
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</thead>
<tbody>
<tr>
<td>Name of Bank</td>
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**Particulars of Monthly KCSAP Financial Operations (KShs)**

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<td></td>
</tr>
<tr>
<td>Date</td>
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<tr>
<td>Amount</td>
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<td>(Give brief details)</td>
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<tr>
<td>Total</td>
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<tr>
<td>Sub-total (Balance at beginning + Total receipt)</td>
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<td></td>
</tr>
<tr>
<td>(A+B)=(C)</td>
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<tr>
<td>Deduct: Payments:</td>
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<td></td>
</tr>
<tr>
<td>(As per cash book summary for the month)</td>
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</tr>
<tr>
<td>(D)</td>
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<tr>
<td>Balance at month end (C-D)=(E)</td>
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<td></td>
</tr>
<tr>
<td>Balance as per bank statement attached (F)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Attach Bank Reconciliation Statement explaining The difference, if any, between (E) and (F)

Reconciliation statement Attached? YES/ No (Tick as appropriate, and explain the reason, if the answer is No)

Prepared by: Date

Counter signed by: CPCU Accountant: Signature of CIG/VMG/PO/PF Chairman & Date

Forwarded to CPCU and / or NPCU on: Received by CPCU and/ or NPCU on:
ANNEX 7: MATCHING GRANT PROPOSALS GUIDELINES
KCSAP-WORLD BANK/ IDA Credit P154784

i. All Matching Grant proposals must have the objective of enhancing the capacity and self-reliance of CIG/VMG/PO and their members. The aim of the proposals must be to empower these organizations and their members to achieve higher levels of food security, incomes, reduce poverty and management of natural resources in a sustainable manner through adoption of CSA TIMPs. For this reason, all proposals must originate from the CIG/VMG/PO with the assistance of a service provider, as required. The roles of CIG/VMG/PO should be clearly specified in the proposals. Service Providers (SPs) will include individuals, consortia, public and private companies, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), or Faith Based Organizations (FBOs), Farmer / Producer Groups, Cooperatives, agro-input dealers among others. These will work with beneficiaries along the identified value chains to provide technical advisory services to CIG/VMG/PO within the identified project areas.

ii. All proposals must demonstrate their economic viability and how activities initiated with KCSAP support will become self-sustaining beyond the project period. Towards this end, applicants are encouraged to consider ways in which CIG/VMG/PO generated income can be used to support the identification, adaptation, and promotion of CSA TIMPs. To assist CIG/VMG/PO to be self-sustaining, the SPs will encourage the groups to set up Savings and Loan groups that will eventually federate into SACCOs. The Matching Grants proposal must clearly indicate mechanism for sustainability and scaling up. It should also indicate the CIG/VMG/PO nature and level of contribution to the project.

iii. All CIG/VMG/PO/PF project costs must be included in the grant proposal

iv. CIG/VMG/PO/PF should indicate all types and sources of support for the activities covered in the proposal that are coming from other sources (disclosure clause). If the activities involved are ongoing, applicants should indicate how they are currently supported and the fate of current support.

iv. No new major capital investments (such as buildings or other major civil works, vehicles, big machinery or major irrigation works) can be financed by Matching Grants. However, CIG/VMG/PO is free to request for co-funding from other sources to meet some of these costs.

v. Proposals must indicate arrangements for participatory monitoring and evaluation.
vi. For transparency and accountability, the proposal must be formulated with the full participation of all CIG/VMG/PO members. At the request of the applicants, CPCU/NPCU will provide limited advisory assistance during proposal formulation, particularly advice on types of services to be offered by the key service providers and institutions during project implementation. In addition, the proposal must clearly show the roles of the various key stakeholders.

vii. All KCSAP funded activities **MUST** be completed at least **ONE** month before the KCSAP closing date.
ANNEX 8: CONTRACT BETWEEN SERVICE PROVIDER AND CIG/VMG/PO
KCSAP-WORLD BANK/ IDA Credit P154784

REPUBLIC OF KENYA

MATCHING GRANT AGREEMENT

The Kenya Climate Smart Agriculture Project (KCSAP) Contract for Matching Grants to pay for Service provision is being entered into on this…………………………. Day of…………………… at ……………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………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(iii) Ensure the registration of the CIG/VMG/PO as required under the laws of Kenya.

(iv) Ensure democratic election of a Management Committee and sub-committees of the CIG/VMG/PO.

(v) Ensure that the CIG/VMG/PO has opened a KCSAP bank account.

(vi) Work with the community to implement the CIG/VMG/PO Value chain-specific EDP/BP.

3) It is understood that funds meant for the aforementioned activity will not be used for any other purpose other than that indicated on the CIG/VMG/PO Grant proposal and the approved Work plan and Budget.

4) In addition, KCSAP will disburse funds and supervise the implementation of the Work plan in accordance with the Matching Grants Manual and KCSAP Operational Procedures (Guidelines).

5) Payment

   A. Remuneration:

   For services rendered, the CIG/VMG/PO shall pay the Service Provider KShs……………… (Amount in words) KShs………………………………………………………………………………………………..... (Only) as professional fee.

   B. Schedule of Payment:

   The payment shall be done in accordance with the agreed schedule - specific to the nature of the Value Chain being supported and nature of service offered, and will be in tranches as follows:

   i) Payment of………………% will be released to the Service Provider Upon signing of the contract to undertake the following activities:

       1) ………………………………………………………………………………………………………
         2) ………………………………………………………………………………………………………
         3) ………………………………………………………………………………………………………
4)..............................................................................................................................................

ii) Payment of ...............% will be released to the Service Provider on confirmation through a report by the CIG/VMG/PO management committee that the Service Provider has satisfactorily provided the services specified above. This payment will be used by the Service Provider for:

1)..............................................................................................................................................

2)..............................................................................................................................................

3)..............................................................................................................................................

4)..............................................................................................................................................

iii) Payment of ...............% will be released to the Service Provider on confirmation through a report by the CIG/VMG/PO management committee that the Service Provider has satisfactorily provided them with the services specified in (ii) above. This payment will be used by the Service Provider to undertake the following activities:

1)..............................................................................................................................................

2)..............................................................................................................................................

3)..............................................................................................................................................

4)..............................................................................................................................................

iv) The final payment of ...............% will be released to the Service Provider on confirmation through a report by the CIG/VMG/PO management committee that the Service Provider has satisfactorily provided the services specified in (iii) above.

1) **Performance Standards:** The Service Provider undertakes to perform the activities with the highest standard of professional and ethical competence and integrity.

2) **Review of Contract:** This contract may be reviewed by both parties upon failure to meet contractual terms as a result of unavoidable circumstances. Recommendation to review the contract shall be given by CTAC.
3) **Termination of Contract:** This contract may be terminated by either party giving one month’s notice. The continued retention of the Service Provider in the Project activities will be determined through performance appraisal to be undertaken by the CIG/VMG/PO.

4) **Ownership of Materials:** All materials and publications developed for the purposes of the implementation of the project will remain the property of KCSAP at all times.

5) **Beneficiary Contributions:** The Beneficiary undertakes to make a contribution as specified below towards financing the cost of the project;

   a) 10 percent of the total Grant for extension, agricultural and training services,
   b) At least 20 percent of the costs of their county sub-project in cash or in kind,
   c) VMG members will not be required to contribute towards the costs of their approved CSA micro-projects.

6) **Standards Criteria for Matching Grants:** This Matching Grant is to finance CIG/VMG/PO projects in accordance with eligibility criteria outlined in the CGM including this Grant agreement/contract with the respective Beneficiary communities on the terms and conditions which shall include the following:

   a) The Grant shall be denominated in Kenya shilling (KES)
   b) The Project (KCSAP) reserves the rights to protect its interests and those of the World Bank, including the right to: (1) suspend or terminate the right of the beneficiary to use the proceeds of the Grant all or any part of the amount of the Grant then disbursed, upon the Beneficiary’s failure to perform any of its obligations under the applicable Grant Agreement; and (ii) require each Beneficiary to: develop a satisfactory beneficiary Micro-Project Plan, which identifies and prioritizes micro/sub-project activities including, but not limited to, technologies and practices of soil and water conservation, water harvesting, re-seeding of degraded lands, forest rehabilitation/agro-forestry, pasture management, high yielding crop and livestock varieties and genotypes, and soil fertility maintenance among other CSA TIMPs;

   (i) carry out its micro projects with due diligence and efficiency and environmental and social standards and practices satisfactory to the Project, including in accordance with the provisions of the Anti–corruption Guidelines; and significance of the micro-catchment’s contribution to land degradation;
(ii) provide, promptly as needed, the resources required for the purpose;

(iii) procure the goods, works and services to be financed out of the Grants in accordance with the provisions of this manual;

(iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators the progress of the micro projects and the achievement of its objective;

(v) Maintain a financial management system and prepare statements in accordance with consistently applied acceptable accounting standards, both in a manner adequate to reflect the operations, resources and expenditures related to the micro/sub-projects; and (2) at the World Bank or the Project request, have such financial statements audited by independent auditors acceptable to the WB, and promptly furnish the statements as so audited to the Project and the WB;

(vi) Enable KCSAP and WB to inspect Micro/sub-Projects, its operation and any relevant records and documents; and prepare and furnish them with all information as shall be requested.

7) **Safeguards**

The Project requires that in the implementation of the micro-projects, (i) the Beneficiaries, prepare and adopt an Environmental Social Management Framework (ESMF), Vulnerable and Marginalized Group Framework (VGMF) for Indigenous Peoples; Physical Cultural Resources and Pest Management as the case may be; and (ii) thereafter take such measures as shall be necessary or appropriate to comply with their requirements and (iii) except as the Project shall otherwise agree in writing, ensure that the Beneficiaries shall not amend or waive any provision of the frameworks.

**Signatures:**

For Service Provider……………………………………. Title: ………………….

For the CIG/VMG/PO

…………………………………………………………………………….Chairperson

…………………………………………………………………………….Secretary

…………………………………………………………………………….Treasurer Witness:

CPCU Coordinator
Attachments:

(i) Certificate of registration of CIG/VMG/PO
(ii) CIG/VMG/PO meeting proceeding minutes duly signed
(iii) Enterprise Development Plan (EDP)/ Business Plan (BP) and work plan and budget
(iv) Details of Bank Account (name of the Bank and branch, account name and account number)
ANNEX 9: PROCUREMENT MANUAL TO BE USED BY BENEFICIARY COMMUNITIES AND FARMER GROUPS

KCSAP- WORLD BANK/ IDA Credit P154784

1.0 INTRODUCTION

At the community level, Procurement Service Providers will be identified to assist Community Sub-project Committees in procurement matters. These SPs will work closely with the project Procurement assistants at the CPCUs. They will provide a simple procurement manual, outlining procedures to be followed in effecting procurement and ensuring adequate accountability of the procured items. The procedures are designed to ensure quick, efficient and transparent procurement of goods and services.

2.0 OBJECTIVES OF COMMUNITY PROCUREMENT MANUAL

The following are the major objectives for the KCSAP Procurement Manual.

2. Objectives of the Manual

1) To standardize the procurement procedures for all KCSAP beneficiary communities / CIG/VMG/PO.

2) To specify the roles of the community management committees and others in the procurement process.

3) To facilitate harmonious interaction of procurement functions within KCSAP Secretariat, County Project Coordination Units (CPCUs), Common Interest Group (CIG), Vulnerable and Marginalized Groups (VMG) and Producer Organization (PO)

4) To facilitate efficient and timely accountability of funds availed for acquisition of goods and services.

5) To enhance a professional approach to procurement to obtain the best value for money.

6) To act as a reference document for all persons involved in making procurement decisions within the project and in particular beneficiary communities.
7) To enhance the ownership of the assets and sustainability of initiatives.

8) To empower beneficiary communities to manage their own procurement process in order to increase efficiency and effectiveness in undertaking the process.

9) To ensure that the procurement process is done in a transparent manner.

3.0 SCOPE OF PROCUREMENT AT COMMUNITY LEVEL

The scope of procurement will vary with the different beneficiary communities CIG/VMG/POs, and will be governed by the core function of KCSAP. The community should develop a simple procurement plan for the overall micro/sub-project with help from CPCU. The plan must take into account who will purchase goods, what will be purchased and how. The CIG/VMG/POs Procurement Sub-Committee with the assistance of CPCU procurement assistant will submit the plan to KCSAP NPCU for information and future monitoring of its implementation.

4.0 FORMING PROCUREMENT SUB-COMMITTEE

The Procurement sub-committee will be responsible for procuring all works, goods and services on behalf of the CIG/VMG/POs. It will consist of at least 5 members, who are also members of management committee. Members of the sub-committee should be well respected members of the community, honest and willing to undertake the responsibility. The members of this sub-committee should not be or related to the members of the Executive sub-committee.

5.0 ROLES OF THE PROCUREMENT SUB-COMMITTEE

1) It will procure all the requirements (works goods & services)

2) In charge of procurement planning of the group.

3) It will be in charge of transport and delivery of the procured goods and services.

4) It will be responsible for requesting, opening and adjudication of bids and quotations.

5) It will ensure that the procurement process is guided by the principles of economy, efficiency, equal opportunity and transparency.
6) It will forward the procured assets and consumable stores to the Executive sub-committee through use of a prescribed form (see annex 1 and 2 – Matching Grant Manual)

6.0 PROCEDURES FOR PROCURING WORKS, GOODS AND SERVICES

The following procedures should be followed while procuring:

1. The secretary of the procurement sub-committee will initiate the procurement process of the required items based on the approved work plan bearing clear work plan row numbers prescribed in the procurement manual.

2. In a properly constituted procurement sub-committee meeting, it will discuss, minute and prepare a list of items by quantity and types as per the approved work plan.

3. The procurement sub-committee floats quotations and/or bids for potential suppliers.

4. Once the quotations and/or bids are received, the sub committee meets to discuss and evaluate them in line with Form D2 and awards the best as per the set criteria.

5. The management committee then reviews and endorses for procurement to proceed.

6. All bidders are then informed in writing of the tender and/or bid outcome.

7. All quotations with recommendations from procurement sub-committees are then serialized and filed. The CIG/VMG/PO is then advised of the decision taken, and when goods will be delivered.

8. The procurement sub-committee procures and delivers goods to the Executive sub-committee where they are verified for quality and quantity before their receipt is acknowledged.

9. A payment voucher will then be prepared and attached to the invoice, copy of LPO, delivery note. A cheque will then be written with the name of the payee corresponding to the name appearing in the invoice and LPO.

10. The executive committee hands over the procured goods to the Assets management committee, who receives the procured goods and records the same in a stock/asset register, and subsequently issues the goods to the end users. (See Annex 2A – stock register).
11. All the above procurement procedures should be strictly adhered to and in instances where imprest is required; the imprest application form will be used as per the KCSAP Financial Management manual.

7.0 FINANCIAL CEILINGS FOR PROCUREMENT

The Community Sub-Projects shall be required to adhere to the following financial ceilings in effecting their procurements:

1.1 Goods and services which in one case during the financial year do not exceed Kshs. 5,000 (five thousand) in value shall be procured without written quotations or agreement and should preferably be paid for by means of cash. However, the items must be received and issued and all transactions entered in the store’s ledger or register. (See annex 2 A and B.

1.2 Goods and services costing up to Kshs. 50,000 (fifty thousand) in any one financial year shall be procured in consultation with the CPCU procurement Assistant provided the following is observed:

(i) To enhance competition in bidding, as many quotations as possible should be invited and a minimum of three competitive quotations be obtained from reputable firms and in cases where it is not possible to obtain three quotations due to lack of relevant vendors, it must be so indicated.

(ii) Repeat orders of the goods or services concerned will not exceed the cost of Kshs. 50,000/= in any one financial year.

(iii) Adjudication of the quotations is done by not less than five members of the Farmer/Producer Group (Organization).

1.3 Requests for quotations for goods and services worth between Kshs 50,000 (fifty thousand) and Kshs 100,000 (one hundred thousand) in any one financial year to be adjudicated by the procurement sub-committee in consultation with CPCU and NPCU procurement officers and observe the following:

(i) The quotations will be opened by at least three members of the Procurement Sub-Committee and one member of the Community Sub-Project Management Committee.

(ii) Evaluation of the offers / bids will be undertaken as in the following example in order
to come up with a price comparison schedule for deliberation and adjudication by the procurement sub-committee:

The quotations invited will be shown as follows:

5 quotations were invited from the following firms: Firm No.1, Firm No.2, Firm No.3, Firm No.4, Firm No.5

The following firms did not respond: Firm No.3, Firm No.5

The following firms responded as follows: Firm No.1, Firm No.2, Firm No.4

A price comparison schedule as shown below will then be prepared:

### 8.0 PRICE COMPARISON SCHEDULE

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<th>Item No.</th>
<th>Item Description</th>
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<th>Qty</th>
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<td>5</td>
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</table>

(ii) After the price comparison schedule, the procurement sub-committee will make a decision.

### 9.0 PROCUREMENT SUB-COMMITTEE DECISION

Deliberations of the committee are to be recorded and the decision arrived at clearly recorded. If the lowest (cheapest) offer is not accepted, sufficient convincing reasons must be given, otherwise all
other factors remaining the same, including quality, the lowest offer should be accepted.

The procurement of goods and services in excess of Kshs. 100,000 (one hundred thousand) and up to Kshs 5,000,000 (five million) shall be by invitation of quotations from qualified suppliers within the procurement group’s geographical area and adjudicated by the local MOA Tender Committee after submission from the CIG/VMG/PO management committee through the CPCU and NPCU.

Goods estimated to cost more than Kshs. 5,000,000 (five million) per single item in any one financial year shall be procured through open tender or restricted tender to be adjudicated by the County Tender Committee after submission from the CIG/VMG/PO management committee through the CPCU.

Detailed procedures on this level of procurement are contained in KCSAP Procurement Manual and World Bank’s Procurement Guidelines and should be consulted as necessary.

10.0 INVENTORIES

Up to date inventories of the assets owned by the beneficiary CIG/VMG/PO shall be maintained by these organizations at all times and can be inspected without notice (annex 2A and 2B).

11.0 PROCUREMENT MONITORING

Procurement monitoring and audit will be done in accordance with KCSAP Procurement manual and the requirements by World Bank.
ANNEX 10: COMMUNITY DEVELOPMENT AGREEMENT

REPUBLIC OF KENYA

(Insert County Gov. logo)

COMMUNITY DEVELOPMENT AGREEMENT

BETWEEN

THE COUNTY GOVERNMENT OF .................................................................

AND

BENEFICIARY COMMUNITY/ORGANIZATION ...........................................

ON IMPLEMENTATION OF

KENYA CLIMATE-SMART AGRICULTURE PROJECT (KCSAP)

DATED

............DAY............. OF............. MONTH .................. YEAR
This Agreement is made between the County Government of__________ (herein called “the County Government”) on the one part AND the Community herein referred to as “Party” and collectively referred to as “the Parties”).

WHEREAS

A. The County Government is an executing agency of KCSAP;
B. The Community will implement KCSAP CSA Investments at Community Level

NOW THEREFORE

In consideration of the commitments and agreements contained herein, the Parties agree as follows:

1. OBLIGATIONS OF THE COUNTY GOVERNMENT

   a) Supporting CSA planning and prioritization
   b) Contract private advisory service providers
   c) Facilitating community institutions to undertake CSA mandate
   d) Support community, ward and county level investments
   e) Support CIGs, VMGs, VCs, POs, Productive Alliances Model (PPPs)
   f) Facilitate public extension agents to provide advisory services
   g) Provide quality assurance of services
   h) provide oversight in project implementation
   i) Ensure gender mainstreaming and inclusion of youth, IPs and vulnerable groups
   j) Ensure compliance to environmental and social safeguards
   k) Adherence to disclosure requirements, conflict and complaint resolution mechanisms
2. **OBLIGATIONS OF THE COMMUNITY**

(a) Participate in CSA planning and prioritization
(b) Implement the prioritized CSA micro- and sub-projects
(c) Participate in PME
(d) Provide data as stipulated in the PME tools
(e) Ensure transparency and accountability in project implementation
(f) Ensure gender mainstreaming and inclusion of youth, IPs and vulnerable groups
(g) Ensure compliance to environmental and social safeguards
(h) Adherence to disclosure requirements, conflict and complaint resolution mechanisms

3. **VALIDITY**

This Agreement shall be valid from the date of the last signature by the Parties below and may be terminated by either party through a six-month’s written notice of its intention to terminate the Agreement.

**IN WITNESS WHEREOF**

The Parties hereto, acting through their duly authorized representatives, have caused this Community Agreement to be signed in their respective names as of the day and year first below written.
FOR AND ON BEHALF OF THE COUNTY GOVERNMENT OF…………………………

Governor:  

Signature:  

Date:  

(County Government official seal) FOR AND ON BEHALF OF THE COMMUNITY

CDDC:  

Signature:  

Date:  

(CDDC official seal)
CONTACT ADDRESS:

Kenya Climate-Smart Agricultural Project (KCSAP) Capitol Hill Towers, Cathedral Road

PO Box 8073 00200, NAIROBI Tel: +254 020 2715466 email: info@kcsap.go.ke Website:

www.kcsap.go.ke
Matching Grants Manual

KENYA CLIMATE SMART AGRICULTURE PROJECT
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Website: www.kcsap.go.ke

MINISTRY OF AGRICULTURE,
LIVESTOCK, FISHERIES AND IRRIGATION
STATE DEPARTMENT FOR CROPS DEVELOPMENT