

CHAPTER ONE: INTRODUCTION

The National Agricultural and Rural Inclusive Growth Project (NARIGP) is implemented by the Government of Kenya (GoK) through the Ministry of Agriculture, Livestock and Fisheries (MoALF), State Department for Agriculture (SDA), with funding support from the World Bank. The intended beneficiaries of the Project are communities in 21 selected Counties of Kenya, these include: - Arid Areas (Turkana and Samburu); Semi-Arid Areas (Makueni, Kitui, Embu, Meru, Kwale, Kilifi and Narok); and Medium-to-High Rainfall Areas (Kirinyaga, Kiambu, Murang'a, Nakuru, Bungoma, Trans Nzoia, Nandi, Vihiga, Kisii, Migori, Nyamira and Homa Bay).

Project Development Objective (PDO)

To increase agricultural productivity and profitability of targeted rural communities in selected Counties and in the event of an eligible crisis or emergency, to provide immediate and effective response



Project Components

NARIGP has four components as detailed below:

Component 1: Supporting Community-Driven Development. The overall objective of this component is to strengthen community level institutions' ability to identify and implement investments that improve their agricultural productivity, food security and nutritional status; and, linkages to selected value chains (VCs) and Producer organizations (POs). It has two subcomponents:

Subcomponent 1.1 -Strengthening Community Level Institutions will finance activities aimed at building the capacity of community-level institutions, such as community- driven development committees (CDDCs), common interest groups (CIGs), and vulnerable and marginalized groups (VMGs), to plan, implement, manage and monitor agricultural and rural livelihoods development interventions.

Subcomponent 1.2 - Supporting Community Investments will finance physical investments in the form of community micro-projects identified in the participatory integrated community development (PICD) process that will increase agricultural productivity, include a strong nutrition focus, improve livelihoods and reduce vulnerability, under four windows: sustainable land and water management (SLM) and VCs development; market-oriented livelihood interventions; targeted support to VMGs; and nutrition mainstreaming through three pathways – consumption, income and women empowerment.

Component 2: Strengthening Producer Organizations and Value Chain Development. The objective of this component is to strengthen Producer Organisations (POs) and improve market access for smallholder producers in targeted rural communities. Through a VC approach, CIGs and VMGs formed under Component 1 will be supported to federate into strong business oriented POs. This component also has two subcomponents.

Subcomponent 2.1: Capacity-Building of Producer Organizations will federate targeted CIGs and VMGs into profitable business-oriented POs through which they can have a stronger say in the VCs they participate in; negotiate for improved access to farming inputs, technologies and

agricultural services (including extension and finance); and markets for their produce. The project support to POs will finance activities organized around two pillars: (a) organization and capacity building; and (b) financing for enterprise development tailored to the needs of the PO and its members.

Subcomponent 2.2: Value Chain Development will identify and up-grade competitive VCs for integration and economic empowerment of targeted POs. Project support will be used to finance activities related to the: selection, mapping and organization of competitive nutrition-sensitive VCs for smallholder development; and upgrading of VCs through a matching grants mechanism targeted at addressing key investment gaps.

Component 3: Supporting County Community-Led Development. The objective of this component is to strengthen the capacity of county governments to support community-led development initiatives identified under Components 1 and 2. This includes the provision of technical advisory services (e.g. public extension services); enabling environment for the private sector and public-private partnership (PPP) to operate; and inter-community (e.g. catchment or landscape-wide and larger rural infrastructure) investments based on priorities identified under Components 1 and 2. This component has two subcomponents.

Subcomponent 3.1: Capacity Building of Counties will finance the capacity building of participating counties in the area of community-led development of agricultural and related livelihoods. This will enable them to support activities under Components 1 and 2.

Subcomponent 3.2: County Investment and Employment Programs will finance investments in key agricultural and rural development infrastructure, as well as natural resource management investments that span across multiple targeted communities. It will also finance short-term employment during off-season, particularly for VMGs and unemployed/out-of-school youth. Employment opportunities will largely be created under public works using cash-for-work approach.



Component 4: Project Coordination and Management. This component will finance activities related to the national and county-level project coordination, including planning, fiduciary, human resource management, safeguards compliance and monitoring, MIS and Information Communication Technology (ICT) development, M&E, impact evaluation, communication and citizen engagement. In addition, in the event of a national disaster affecting the agricultural sector, the project through this component would finance emergency responses. This component has three subcomponents.

Subcomponent 4.1: Project Coordination will finance the costs of running the National Project Coordination Unit (NPCU) and the County Project Coordination Unit (CPCUs), as well as project supervision and oversight provided by the National Project Steering Committee (NPSC) and County Project Steering Committee (CPSC).

Subcomponent 4.2: Monitoring & Evaluation (M&E) and Information Communication Technology (ICT) will finance activities related to routine M&E functions (e.g. data collection, analysis and reporting); development of ICT-based Agricultural Information Platform for sharing

information (e.g., technical or extension advisory services, business and market-oriented, agro-weather information and others); and facilitate networking across all components. It will also finance the baseline, mid-point and end of project impact evaluation of the project.

Subcomponent 4.3: Contingency Emergency Response will support a disaster recovery contingency fund that could be triggered in the event of a natural disaster affecting the agricultural sector through: (a) a formal declaration of a national emergency by the authorized agency of GoK; and (b) upon a formal request from the National Treasury (NT). This would be done through re-allocation of project funds. Detailed operational guidelines acceptable to the World Bank for the implementation of this Contingency Emergency Response subcomponent will be prepared during the first year of the project to include a positive list of goods, works, and services eligible for disbursement.

Project financing

NARIGP will be financed with a US\$ 200 million loan from the World Bank and local contribution of US\$ 19 million from the GoK. IDA Credit No is 5900-KE. Project Number : P153349.

A summary of the project costs by component is as follows:

No	Component	Amount million US \$
1	Component 1: Supporting Community-Driven Development	80.0
2	Component 2: Strengthening Producer Organizations and Value-Chain Development	50.0
3	Component 3: Supporting County Community-Led Development	72.0
4	Component 4: Project Coordination and Management	17.0
	Total Project Costs	219.0

Financing for Bungoma County in the Financial Year 2019/2020

Funds received Kshs 351,997,903/=



Expenditure Per Component

No	Component	Expenditure (Kshs)
1	Component 1	194,609,869
2	Component 2	23,326,338
3	Component 3	30,837,631
4	Component 4	46,445,994
	Total	295,219,832

KEY PROJECT INDICATORS

1. Number of Direct project beneficiaries
2. Direct beneficiaries who have adopted improved agricultural technologies, innovations and management practices (TIMPs)
3. Yield increase in selected priority agricultural value chains supported by the project.
4. Producer organisations supported by the project reporting an increase in profitability.

PROJECT ACHIEVEMENTS IN BUNGOMA COUNTY

1. Selection of 5 Project Sub Counties and 20 Wards

The project covers 5 sub counties and 20 Wards in Bungoma County

No	Name of Sub County	Name of Wards	No of Wards covered	Comments
1	Bumula	Bumula, Siboti, Khasoko, Kabula, West Bukusu	5	South Bukusu and Kimaeti are not covered by the project
2	Sirisia	Malakisi/ South Kulisiru, Lwandanyi, Namwela	3	All Wards in Sirisia are covered by the project
3	Mt. Elgon	Cheptais, Chesikaki, Chepyuk, Kaptama, Kapkateny	5	Elgon Ward is not in the project
4	Kimilili	Kimilili, Kibingei, Kamukuywa, Maeni	4	All 4 Wards are covered
5	Webuye East	Ndivisi, Mihuu, Maraka	3	All 3 Wards are covered
	Total		5 Sub Counties, 20 wards	

2. Selection of 4 Priority Value Chains for Bungoma County

- Chicken
- Dairy
- Bananas
- Beans



3. Identification and Selection of 11 Selected producer Organisations (POs) for Bungoma County

No	Name of PO	Value Chain	Sub County	Ward	Remarks
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1	Bumula Dairy Cooperative Society Limited	Dairy	Bumula	Kimaeti	Performing well and profitable enterprise
2	Bumula Poultry Farmers Cooperative Society Limited	Chicken	Bumula	Bumula	Not realized profits yet
3	Sirisia Poultry Farmers Cooperative Society Limited	Chicken	Sirisia	Malakisi/ S. Kulisiru	Not realized profits yet
4	Kaptama Farmers Cooperative Society Limited	Dairy	Mt. Elgon	Kaptama	Performing well and profitable enterprise
5	Kimaeti Banana Based Community Organisation	Banana	Bumula	Kimaeti	Performing well and profitable enterprise
6	Luchendi SACCO	Banana	Webuye East	Ndivisi	Performing well and profitable enterprise
7	Chwele Beans Cooperative Society Limited	Beans	Kabuchai	Chwele/ Kabuchai	Not realized profits yet
8	3KM SACCO	Beans	Kimilili	Kimilili	Performing well and profitable enterprise
9	Kamukuywa Dairy Cooperative Society Limited	Dairy	Kimilili	Kamukuywa	Performing well and profitable enterprise
10	Kikai Farmers Cooperative limited	Dairy	Sirisia	Namwela	Performing well and profitable enterprise
11	Webuye east Poultry Cooperative Society Limited	Chicken	Webuye East	Ndivisi	Not realized profits yet



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4. Establishment of Project Structures

- i. County project Steering Committee (Chaired by CECM, ALFIC)
- ii. County Technical Advisory Committee (Chaired by County Director of Livestock Production)
- iii. County Project Coordinating Unit (led by County Project Coordinator)

- iv. 20 Community Driven Development Committees (CDDC)- 1 per Ward
- v. 860 Common Interest Groups/ Vulnerable and Marginalised Groups (CIGs/VMGs)
- vi. 11 Producer Organisations (POs)

5. Financial Input

- i. 600 microprojects by CIGs/VMGs have been approved and funded to the tune of Kshs 150,000,000/=
- ii. 11 POs received Membership Inclusion Grants amounting to Kshs 10,700,030/=
- iii. Sustainable Land management for Wabukhonyi Dam in Siboti (a Multi Community Investment activity)

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