Hon. Henry Rotich  
Cabinet Secretary  
National Treasury  
Treasury Building  
Nairobi  
Republic of Kenya  

Re: Republic of Kenya – National Agricultural and Rural Inclusive Project  
(Credit Number 5900-KE)  

First Amendment to the Financing Agreement

Honorable Rotich:

We refer to the Financing Agreement for the above-referenced project dated October 14, 2016 (the “Agreement”), between the Republic of Kenya (the “Recipient”) and the International Development Association (the “Association”). We also refer to your letters dated May 17, 2017 and June 15, 2017, requesting changes to the Agreement. We are pleased to inform you that the Association agrees to your request and proposes to amend the Agreement as set forth below:

1. All references to “Ministry of Devolution and Planning” shall read “Ministry of Agriculture, Livestock and Fisheries”.

2. Sections IA.1. and IA.2 of Schedule 2 are deleted and replaced with the following:

(a) overall oversight and policy guidance to the Project, the Recipient shall establish, by the Effective Date, a National Project Steering Committee (“NPSC”), to be co-chaired by the Cabinet Secretary of the Recipient’s Ministry of Agriculture Livestock and Fisheries (the “Implementing Agency”) and the Recipient’s Chair of Agricultural Committee in the Council of Governors, and comprising Permanent Secretaries from the relevant line ministries, two Governors representing participating counties, Coordinator of Intergovernmental Secretariat for Agricultural Sector, and representatives of the private sector and civil society;
day-to-day project implementation of Part D(ii) of the Project, the Recipient shall, by the Effective Date, establish, and maintain thereafter, a National Project Coordinating Unit ("NPCU"), comprising at the minimum a National Project coordinator, Project accountant, procurement officer, monitoring and evaluation officer, internal auditor, education and communication officer/public relation officer, information communication technology officer, environmental and social safeguards compliance officer, and three (3) component coordinators under terms of reference and with qualifications satisfactory to the Association; and

assisting the NPCU on technical matters, the Recipient shall, by the Effective Date, establish a National Technical Advisory Committee ("NTAC"), to be chaired by the Director of Agriculture within the Recipient’s Ministry of Agriculture Livestock and Fisheries, and comprising directors of relevant line ministry departments, directors general of the relevant government agencies, Chair of the Intergovernmental Technical Working Group responsible for projects/programs, Chair and Secretary of County Executive Committee Agricultural Caucus, and representatives of the private sector.

2. At the County level:

(a) the Recipient shall establish and maintain in each Eligible County a County Project Steering Committee ("CPSC"), by no later than four (4) months after the Effective Date, chaired by the County Executive Committee member for Agricultural Sector, comprising chief officers of the relevant county ministries, a County director of environment from the National Environment Management Authority ("NEMA"), and representatives from the private sector, civil society and Vulnerable and Marginalized Groups, and the County commissioner if needed, to provide, with the assistance of the County Project Coordination Unit ("CPCU"), implementation oversight in the respective Counties, including approving project annual work plans and budgets and community-led Sub-project proposals and ensure their incorporation in the integrated community development processes;

(b) the Recipient shall establish and maintain within an Agricultural Sector department in each Eligible County a CPCU responsible for day-to-day implementation of Parts A, B, C and D(ii) of the Project, by no later than four (4) months after the Effective Date, and comprising at the minimum a County Project Coordinator, three (3) County Component Leaders, County Monitoring and Evaluation Assistant, Accounts Assistant, Procurement Assistant, and an Internal Auditor under terms of reference and with qualifications satisfactory to the Association."
3. Section I.C.4. of Schedule 2 is modified to read as follows:

   "4. If by eighteen (18) months after the Effective Date, any Eligible CG has not entered into a participation agreement with the Recipient, the Recipient may select an additional county to participate in the Project, using the criteria set forth in Section V of Schedule 2 to this Agreement and in the PIM."

4. Sections V.2, V.3 and V.4. of Schedule 2 are modified to read as follows:

   "2. The Recipient shall, by no later than four (4) months after the Effective Date, designate a Project accountant for the NPCU and assistant accountants for each of the CPCUs under terms of reference satisfactory to the Association and with qualifications satisfactory to the Association.

   3. The Recipient shall establish, by no later than six (6) months after the Effective Date, a management information system database with global positioning system coordinates for tracking micro-projects, satisfactory to the Association.

   4. The Recipient shall, no later than four (4) months after Effective Date, designate project internal auditors at NPCU and each CPCU under terms of reference satisfactory to the Association and with qualifications satisfactory to the Association."

5. Section V.5. of Schedule 2 is deleted and Section V.6 is renumbered V.5 as follows:

   "5. (a) The Recipient shall provide its own resources for the remaining 12% of Part D of the Project.

   (b) The Recipient, through the Memoranda of Understanding referenced in Section I, Part D of Schedule 2 to this Agreement, shall ensure that Beneficiaries provide the resources for the remaining 6% of Part A of the Project.

   (c) The Recipient, through the Participation Agreements referenced in Section I, Part C of Schedule 2 to this Agreement, shall ensure that Eligible CGs provide the resources for the remaining 10% of Parts B and C of the Project."

The capitalized terms used in this letter ("Amendment Letter") and not defined herein have the meaning ascribed to them in the Agreement as applicable.

All the terms and conditions of the Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

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Please indicate your agreement with the foregoing amendments on behalf of the Recipient by countersigning and dating two (2) original copies of this Amendment Letter and returning one countersigned original to us. Upon receipt by the World Bank of the countersigned copy, this amendment shall become effective as of the date of this Amendment letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Diarietou Gaye
Country Director for Eritrea, Kenya, Rwanda and Uganda
Africa Region

AGREED:

THE REPUBLIC OF KENYA

By: 

Authorized Representative

Name: Henry Rotich
Title: Cabinet Secretary, National Treasury