

COUNTY GOVERNMENT OF BUNGOMA



DEPARTMENT OF AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVES

AGRICULTURAL INPUTS AND SERVICES SUPPORT GUIDELINES

NOVEMBER, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS.....	I
FOREWORD	II
ACKNOWLEDGEMENT	IV
ABBREVIATIONS AND ACRONYMS	V
1. INTRODUCTION	1
1.1 Background.....	1
1.2 Rationale	2
1.3 Objective	3
1.4 Scope of the Guidelines	3
1.5 Input Subsidy Theory of Change	3
2. AGRICULTURAL INPUT SUBSIDY IMPLEMENTATION.....	4
2.1 Introduction.....	4
2.2 Agricultural Input Delivery.....	4
3. SUBSIDIZED AGRICULTURAL SERVICES DELIVERY	8
3.1 Agriculture Mechanization Services (Machinery and Equipment Hire Services)	8
3.2 Soil Testing, Analysis and Advisory Services	9
3.3 Artificial Insemination Services	10
3.3 Subsidized Vaccinations for disease prevention, control and eradication	11
3.4 Agricultural Insurance	14
4. INPUT SUBSIDY PROGRAMME COORDINATION	18
4.1 Coordination Framework	18
4.2 Ward Vetting Committee composition	18
4.3 Reporting.....	19
4.4 Monitoring, Evaluation, Accountability and Learning (MEAL)	19
4.5 Exit and Sustainability Strategy	19

FOREWORD

The agricultural sector is the largest contributor to Kenya's and the county's economy and the means of livelihood for most of the rural population. In 2021 Agriculture contributed 21.2% to the national GDP. The agriculture sector contributed 43% of the total Gross County product in 2022 (KNBS 2022). The sector contributes significantly to other economic activities in the county such as manufacturing, wholesale and retail trade, transport and storage. Sustained agricultural growth is critical to uplifting the living standards of Kenyans as well as generating rapid economic growth. However, in spite of the importance of the agricultural sector, farming in Kenya and the county has for many years been predominantly small-scale, rain-fed, poorly mechanized and characterized by low use of quality agricultural inputs and services. In addition, institutional support and infrastructure have been inadequate. Challenges including declining agricultural productivity, environmental degradation, under-utilization of land resources, lack of effective value-addition of agricultural produce have constrained market access and inadequate application of appropriate technologies.

Kenya Vision 2030 identified agriculture as one of the six key economic sectors expected to drive the economy to a projected 10 percent annual economic growth over the next two decades. The sector is therefore central to the achievement of Vision 2030 goal of "***a globally competitive and prosperous country with a high quality of life by 2030***". This goal will be realized through promotion of an innovative, commercially oriented and modern agriculture as envisioned in the Agriculture Sector Transformation and Growth Strategy (ASTGS), 2019-2029. Agriculture is therefore expected to lead the growth and transformation of the economy and maximize the benefits of an accelerated growth of minimum 7% per annum. The National Food and Nutrition Security Policy 2011 and the Constitution of Kenya, Article 43 (1) (c), Article 53 (l) (c), Article 21 and Article 27 recognizes food security as a basic human right.

To address the problem of declining agricultural productivity and food insecurity, several input subsidy programs have been implemented in the country since the 1970's targeting resource constrained farmers. Majority of the programmes have focused on provision of fertilizers and seeds with the government spending colossal amounts of money in the implementation. Some of these programmes include the National Accelerated Agricultural Input Access Programme (NAAIAP), Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods (KCEP-CRAL), the National Fertilizer Subsidy Programme, and the County-specific Fertilizer Subsidy Programme. These programmes faced numerous challenges including poor targeting; lack of complete farmer's registration database; weak fertilizers quality control measures; inadequate technical capacity to effectively regulate the fertilizer subsector and lack of performance tracking and assessment to ascertain their impact.

The County Government of Bungoma, through the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives, has also been implementing agricultural input support programmes since 2013. These support includes: free issuance of fertilizer and maize seed to vulnerable farmers; Coffee seeds, seedlings, equipment and infrastructural support to farmer groups and cooperative societies; improved poultry, dairy cows, goats and pasture seed distribution to farmer groups; irrigation kits support to farmer groups; fingerlings and fish

feeds support to aquaculture farmers; routine vaccinations and Artificial Insemination subsidy program; amongst others. The county subsidy programmes have faced critical challenges, key being inadequate framework for beneficiary targeting, performance measurement and sustainability concerns since most inputs are issued freely to beneficiaries.

In order to enhance efficiency and sustainability as envisaged in the ASTGS and other sectoral policies, the county government intends to restructure county agricultural subsidies with a focus to register farming households and empower them to access a range of inputs and services from multiple providers, through various approaches including e-voucher delivery system where possible. To harmonize delivery of the subsidies by various players, there is therefore the need to develop Agricultural Inputs delivery guidelines.

It is against this backdrop that these guidelines were developed to inform the design, implementation and performance tracking of inputs and services subsidy programmes in the county. The guidelines are anchored on the theory of change for intervening in input markets through input subsidies which states that subsidies will lead to increased use of quality inputs, which will in turn lead to increased agricultural productivity and production. This will result in increased incomes for the farming households as well as wider effects on consumer welfare through lower food prices, reductions in poverty and increases in overall economic growth.

The document outlines several components of a well-designed Input Subsidy Programmes which includes proper targeting of the beneficiaries, delivery mechanisms that includes the service providers, coordination, exit strategy, sustainability, Monitoring and Learning. It also describes the mechanism to guide the implementation of ISPs in the short, medium and in the long-term.

This input subsidy guidelines is a confirmation of the Government's commitment to address the challenges faced in the implementation of the agricultural input subsidy programmes.

Dr. Monicah Salano Fedha
County Executive Committee Member
Department of Agriculture, Livestock, Fisheries Irrigation and Cooperatives

ACKNOWLEDGEMENT

The preparation and publication of the Bungoma County Agricultural Input and Services Subsidy Guideline benefited from the contribution of different individuals and key institutions. We wish to acknowledge all stakeholders who participated in the guideline development process.

Immense gratitude goes to H.E Kenneth Lusaka, E.G.H., the Governor, Bungoma County and the County Executive Committee for providing invaluable leadership and guidance in the preparation of this Guideline. Further I wish to recognize the CECM for the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives for the valuable guidance and coordination.

Finally, Special thanks and appreciation goes to the Technical Working Group drawn from the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative (DoALFIC) and Office of the County Attorney for the consistent engagement from initial brainstorming workshops, technical reviews and final scrutiny of the guideline.

**Chief Officer
Agriculture and Irrigation**

**Chief Officer
Livestock and Fisheries**

**Chief Officer
Cooperatives**

ABBREVIATIONS AND ACRONYMS

AKI	Association of Kenya Insurers
AMS	Agriculture Mechanization Stations
ARM	Athi River Mining Company
ASAL	Arid and Semi-Arid Lands
ASDSP	Agricultural Sector Development Support Programme
ASTGS	Agriculture Sector Transformation and Growth Strategy
CA	Conservation Agriculture
CAADP	Comprehensive Africa Agriculture Development Programme
CASSCOM	County Agriculture Sector Steering Committee
CDA	County Director of Agriculture
CIDPs	County Integrated Development Programmes
COG	Council of Governors
FAK	Fertilizer Association of Kenya
FFA	Fish Farmers Associations
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
Ha	Hectares
HR	Human Resource
ICT	Information Communication Technology
ID	Identity
IRA	Insurance Regulation Authority
ISP	Inputs Subsidy Programme
KALRO	Kenya Agriculture and Livestock Research Organization
KCEP-CRAL	Kenya Cereals Enhancement Programme- Climate Resilient and Agricultural Livelihood
KCEP	Kenya Cereals Enhancement Programme
KCIP	Kenya Crop Insurance Programme
KEBS	Kenya Bureau of Standard

KENAFF	Kenya National Farmers Federation
KEPHIS	Kenya Plant Health Inspectorate Service
KIAMIS	Kenya Integrated Agriculture Information Services
KLIP	Kenya Livestock Insurance Programme
KPCU	Kenya Planters Cooperative Union
MEAL	Monitoring Evaluation and Learning
MOAL	Ministry of Agriculture and Livestock Development
MOU	Memorandum of Understanding
MT	Metric Tons
MTP	Medium Term Plan
NAAIAP	National Accelerated Agricultural Input Access Programme
NDVL	Normalized Difference Vegetation Index
NKCC	New Kenya Cooperative Creameries
NVCSP	National Value Chain Support Programme
SCAO	Sub County Agricultural Officer
TCB	Tissue Culture Bananas
WAO	Ward Agricultural Officer

1. INTRODUCTION

1.1 Background

The economy of Kenya relies primarily on agriculture with 69.1% of its population living in the rural areas and is directly or indirectly engaged in agricultural activities. In 2021 Agriculture contributed 21.2% to the national GDP. The agriculture sector contributed 43% of the total Gross County product in 2022 (KNBS 2022). The sector contributes significantly to other economic activities in the county such as manufacturing, wholesale and retail trade, transport and storage. The County has a poverty index of 43.9% with the National index at 38.6% and food poverty rate of 31.0% against the National rate of 30.5%. Hardcore poverty estimates (individuals) for Bungoma was 6.7% with the National rate at 5.8% (2021 KNBS). Households in the county rural areas spend 62.2% of their income on food. The agriculture sector is instrumental towards poverty alleviation in the county and offering employment to the growing county's youthful population.

Kenya Vision 2030 identified agriculture as one of the six key economic sectors expected to drive the economy to a projected 10 percent annual economic growth over the next two decades. The sector is therefore central to the achievement of Vision 2030 goal of “a globally competitive and prosperous country with a high quality of life by 2030”. This goal will be realized through promotion of an innovative, commercially oriented and modern agriculture as envisioned in the Agriculture Sector Transformation and Growth Strategy (ASTGS), 2019-2029. Agriculture is therefore expected to lead the growth and transformation of the economy and maximize the benefits of an accelerated growth of minimum 7% per annum. The National Food and Nutrition Security Policy 2011 and the Constitution of Kenya, Article 43 (1) (c), Article 53 (1) (c), Article 21 and Article 27 recognizes food security as a basic human right.

In spite of the importance of the agricultural sector, farming in Kenya and the county has for many years been predominantly small-scale and rain-fed. The sector faces a decline in productivity due to environmental degradation, under-utilization of land resources, poor mechanization, low use of quality agricultural inputs and services, lack of effective value-addition of agricultural produce, limited market access and inadequate institutional and infrastructural support.

To address the problem of declining agricultural productivity and food insecurity, several input subsidy programs have been implemented in the country since the 1970's targeting resource constrained farmers. Majority of the programmes have focused on provision of fertilizers and seeds with the government spending colossal amounts of money in the implementation. Some of these programmes include the National Accelerated Agricultural Input Access Programme (NAAIAP), Kenya Cereal Enhancement Programme, Climate Resilient Agricultural Livelihoods (KCEP-CRAL) and the National Fertilizer Subsidy Programme.

The County Government of Bungoma, through the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives, has been implementing agricultural input support programmes since 2013. These support includes: free issuance of fertilizer and maize seed to vulnerable farmers; Coffee seeds, seedlings, equipment and infrastructural support to farmer groups and cooperative societies; improved poultry, dairy cows, goats and pasture seed distribution to

farmer groups; irrigation kits support to farmer groups; fingerlings and fish feeds support to aquaculture farmers; routine vaccinations and Artificial Insemination subsidy program; amongst others. The county subsidy programmes have faced critical challenges, key being inadequate framework for implementing subsidy programmes, lack of farmer's registration database, poor beneficiary targeting, poor coordination, lack of performance tracking to ascertain impact, and sustainability concerns since most inputs are issued freely to beneficiaries.

This guideline is expected to provide the County Government of Chief Officer and implementers with a road map for the Bungoma Agriculture sector input subsidy implementation.

Table 1: Key Targeted Inputs and Services

Sub-Department	Input/Service
Agriculture (Crops)	Mechanization services, Fertilizer, Seeds & seedlings, Sprayers, equipment, pesticides and chemicals, Insurance
Irrigation	Irrigation Kits, water harvesting and storage equipment
Livestock and Veterinary	Artificial insemination (AI), Vaccines(Vaccination), pasture seed, Improved livestock breeds and feeds – poultry, dairy cows, dairy goats, pigs, etc
Fisheries	Fingerlings, pond liners , fish feeds , fishing gear and equipment
Cooperative Development	Seed and Seedlings Subsidy, Support to Cooperative societies – Coffee, dairy, aquaculture, cereals, etc

Annex 1: shows a summary of the past and existing subsidy and input support programmes. It categorizes the type of subsidy by various departments and gives a narrative on coverage and time frame when respective supports were offered.

1.2 Rationale

It is the role of government to provide an enabling environment for the growth of the Agriculture Sector and when necessary provide agricultural input subsidies in case of: market failure including price fluctuations, poor input distribution and input unavailability; and provides livelihood support to vulnerable and resource poor farmers mostly as a form of social protection.

The National Agriculture Policy, 2021 and the County Agriculture Sector Policy, 2023 tasks National and County Governments to facilitate targeted subsidies for crops, livestock and fisheries production while ensuring that these subsidies are monitored regularly for efficacy and impact. Further, it directs County governments to support the subsidy initiatives through effective extension and capacity building of both staff and value chain players.

Where a subsidy programme is introduced, there must be a functioning distribution mechanism in place to make the subsidy available to farmers at the local level. Potential mismanagement in the supply chain also needs to be addressed to prevent leakage or subsidy diversion. Where subsidies are made available at the local level, farmers must be aware of their eligibility to access them and

recognize the value of the subsidized inputs and services to make use of them. Markets also need to be able to provide for any additional demand for inputs that subsidies may stimulate.

Efforts have been made by the national government to create a farmer's registration database through the farmer registration process done by NCPB for the purpose of fertilizer distribution. The county has inadequate and disintegrated data on existing farmers.

Among the existing subsidy programs only maize had a vetting committee, while the other subsidy programs were staff led. There exists a county Monitoring and Evaluation directorate and departmental monitoring unit; however, they lack effective mechanisms for tracking performance and impact of subsidy programs. Implementation of the agricultural subsidy programmes involves many stakeholders and there is a need to establish a sustainable mechanism, which provides for beneficiary targeting, selection of service providers and identification of delivery platforms.

Operating subsidy programmes without proper guidelines can result in malpractices and lack of accountability hence failure to meet the intended purpose. There has been a lack of clear guidelines for design and implementation of input subsidy programmes.

The County Government of Bungoma has been implementing several subsidy programmes. There exists maize subsidy, Agriculture Mechanization service and AI subsidy guidelines. However, these guidelines were inadequate for implementation while the other subsidy programmes have no guidelines.

1.3 Objective

These guidelines have been developed to enhance access and use of recommended agricultural inputs and services for increased production and productivity.

1.4 Scope of the Guidelines

The guidelines provide overarching guidance in the management of subsidies amongst producers in the agricultural sector for a period on a phased approach until the intended objectives are achieved.

1.5 Input Subsidy Theory of Change

The theory of change model describes a delivery concept of smart subsidy programmes where a select number of small-scale farmers are identified. The arrangement will where applicable adopt an E- voucher platform where the county will enlist a mobile subscriber to generate bulk messages to registered farmers. The registered farmers will redeem the vouchers at the designated stores. The model projects three outputs/ outcomes: increased productivity, food security and increased household incomes. It is recommended that the subsidy strategic intervention be implemented in a gradual phased approach where government contribution is reduced gradually, until the beneficiaries are empowered to access agricultural input and services at commercial rate and eventually phasing out the subsidy programme.

2. AGRICULTURAL INPUT SUBSIDY IMPLEMENTATION

2.1 Introduction

These guidelines are expected to provide implementers with a road map for the Bungoma Agriculture sector input subsidy implementation. To implement the subsidy programmes, a hybrid system is proposed where two approaches will be used; vulnerable and universal subsidy programmes. The vulnerable approach involves a social protection mechanism which targets beneficiaries who are disadvantaged members of the community. Universal approach targets all beneficiaries to promote inclusivity with a focus on increasing production and productivity.

The two approaches will apply to both subsidized agricultural inputs which are commodities and for critical subsidized agricultural services.

2.1.1 Vulnerable Approach

The vulnerable approach will target the following; practicing farmers who are resource poor, widows, widowers, orphans, child- headed households or physically challenged. This approach also targets groups whose membership comprises vulnerable practicing farmers. The beneficiaries will be approved by Ward Vetting Committees and will receive the inputs without paying the input cost. This approach will be granted 50% of the total allocation for input support and subsidies.

2.1.2 Universal Approach

A targeting criterion is developed for selection of beneficiaries from the registration database generated from the wards and collated at the County level. The criteria shall take into account the objectives and expected outcomes of the program. Further, the beneficiaries' selected enterprises for subsidy support should have the highest potential for achieving the programme's objectives. The approach will also apply to groups which are willing to meet the criteria for accessing subsidized inputs. For the universal approach, beneficiaries will contribute 60% of the input cost while the county government will contribute 40%. The price for the county fertilizer subsidy programme will be determined from time to time based on National/County government policies and directives.

2.2 Agricultural Input Delivery

The agricultural input delivery system shall entail farmer registration, identification of beneficiaries, procurement of inputs, storage and handling, distribution and issuance of inputs to beneficiaries, monitoring and evaluation of the process.

A. Farmer Registration

The County Government in collaboration with partners will facilitate registration of farmers by capturing farmer personal (bio) and farm details. The department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives shall be the custodian of the farmers' database which shall be updated periodically. Registration of farmers shall be undertaken at Ward level by the various agricultural directorates based on specific enterprises in the value chains where the input is being

subsidized.

The registration of farmers will include the following details:

- Name
- ID Number
- Cell Phone number
- Gender
- Farm Size (Acres)
- Sub-county
- Ward
- Village
- Agricultural enterprises/ value chain
- Affiliated Farmers' organization/cooperative
- Any other relevant information

B. Identification of Beneficiaries

In implementing the subsidy programme, the beneficiaries will be selected from the farmers register through a predetermined vetting process. In selecting beneficiaries in the Vulnerable Approach, the Ward Vetting Committee as per section..... will undertake the selection process. In the Universal Approach, beneficiaries will be identified from the farmers register according to the enterprise being supported. The relevant accounting officers will initiate the beneficiary identification process in line with approved budgets, work plans and timelines.

a) Vulnerable Approach selection criteria

A vetting committee at the Ward level will undertake the selection process. The beneficiaries must meet the following criteria:

- i. Be resource poor and vulnerable.
- ii. Be a practicing farmer.
- iii. Be practicing all the good agricultural practices.
- iv. Be willing to acquire any supplementary inputs not provided in the package.
- v. Be willing to be involved in subsequent training and program activities that may be instituted from time to time.
- vi. Shall ensure the subsidy input is utilized for the intended purpose and none of the subsidy farm inputs is sold e.g branding of the packages.

b) Universal Approach selection Criteria

The beneficiaries must meet the following criteria

- i. Be a registered farmer in a specific Ward within Bungoma County..
- ii. Be a practicing farmer as shall be determined by the registration database.
- iii. Beneficiary willingness and commitment to cover the co-financing where applicable.
- iv. Be engaged in an agricultural enterprise where the input is being subsidized.

This criterion is not exhaustive and additional requirements can be specified under the specific subsidy programme.

C. Procurement of Inputs

Procurement of inputs will be subject to availability of funds and in accordance with the provisions of Public Procurement and Asset Disposal Act, 2015.

D. Storage and Handling

Safe and secure input storage facilities will be identified and designated and will include County agricultural institutions (ATC, Chwele Fish Farm among others) and NCPB satellite stores (Bungoma NCPB, Sang'alo Dairy/Animal Feed Cooperative Society Mechimeru, Myanga NCPB, Lunakwe Multipurpose hall, Tamlega NCPB, Chwele Resource Centre, Chwele CDF Office, Nalondo Agriculture Office Boardroom, Kimilili Tomato Processing Premice, Maeni Farmers Cooperative, Kapsokwony NCPB Stores, New Chesikaki Farmers Cooperative Society, Kipsigon Cooler House, Matisi CDF stores, Misikhu Cooperative Society, NCPB Webuye, Ndivisi Ward Office, Ndalu Farmers Cooperative, Tongaren Farmers Cereals Store, Naima Farmers Cooperative Store).

E. Distribution and Issuance

Procured agricultural inputs will be distributed to the designated storage and handling facilities for issuance to beneficiaries. Issuance of the inputs will be undertaken by selected and trained Input Issuing Officers appointed by the relevant accounting officer.

a). Steps for accessing subsidized inputs by the selected beneficiaries

Vulnerable Approach

- i. Selected beneficiaries will be notified by the Ward Vetting Committees through available communication channels including designated notice boards of their successful selection to benefit.
- ii. Once inputs are procured and distributed to storage and handling points, beneficiaries will be informed through the Ward Vetting Committees of the input availability and collection or issuance points
- iii. The beneficiary visits a designated issuance point with original and a photocopy of their Identity Cards to collect the input.
- iv. The appointed Input Issuing officer authenticates the identity of the beneficiary against a pre-existing approved list of beneficiaries, keeps a photocopy of the identity card, and if satisfied, he/she informs the beneficiary to sign against their personal information details for the input.
- v. After identity confirmation and signing, the issuing officer issues the beneficiary with his/her inputs and the transaction ends.

Universal Approach

1. Once the inputs are procured and distributed to storage and handling points, farmers will be informed through available communication channels including the Ward Agricultural Officers of the input availability.
2. To acquire the subsidized inputs, a registered farmer physically visits the Agricultural

Officer at the Ward level and expresses interest to acquire inputs under the subsidy inputs programme. The officer verifies the details of the farmer as registered and if successful issues the farmer with an Input Access Form.

3. Farmers registered through e voucher platform will visit the designated issuance point to redeem the e voucher
4. Where applicable, a registered farmer may make the requisition online. Once the farmer makes requisition, the agricultural officer at the ward verifies details of the applicant and if successful, approves the application online and issues an e-Voucher.
5. The beneficiary visits a designated issuance point to collect the input
6. The appointed Input Issuing officer authenticates the validity of the beneficiary's Approved Input Access Form or e-Voucher and if satisfied, he/she informs or prompts the beneficiary to make his/her part of payment through a mobile money transfer;
7. After confirmation of payment the issuing officer issues the beneficiary with his/her inputs and the transaction ends.

F. e-Voucher Management Module

This module facilitates creation of electronic vouchers for the subsidy inputs. Vouchers are based on the various subsidy inputs stocks available at the designated storage facilities. The selected beneficiaries are allocated e-Vouchers based on their registered farm profiles. The e-Vouchers are sent to the beneficiary's phones as a text message (SMS).

G. Terms and Conditions

The handlers and recipients of subsidized inputs will be bound by the following terms and conditions:

- i) Not repackage, transfer or resale received inputs
- ii) Not use the inputs for any purposes other than on enterprise activities
- iii) Be willing to undertake good agricultural practices
- iv) Be willing to keep and share farm records with the relevant agricultural officer at the ward level

3. SUBSIDIZED AGRICULTURAL SERVICES DELIVERY

This guideline provide a subsidy framework for critical agricultural services in the county including machinery hire, soil testing and advisory, agricultural insurance, Artificial Insemination and vaccinations

3.1 Agriculture Mechanization Services (Machinery and Equipment Hire Services)

Machinery services include: primary tillage- ploughing, chisel ploughing, sub soiling, re-ploughing; secondary tillage- harrowing, ridging, furrowing and row cultivation, seed planting, seed drilling; crop spraying; farm produce transportation; grain threshing and shelling; forage chopping; hay mowing and baling; and Value addition.

In order to sustain efficient service delivery to the clients the following terms and conditions, and procedures are deemed necessary.

a) Terms and conditions

- i. Services will be rendered to farmers within **Bungoma County only**.
- ii. The services will only be rendered to the client(s) upon full payment of the requisite fees.
- iii. Applications for services to be submitted to the appointed management incharge of agricultural mechanization services
- iv. The machinery and equipment will not be hired to private contractors.
- v. The machinery will not be deployed on rocky, steep sloped, muddy and water logged terrain or in an environment that will endanger the safety of the personnel and the equipment.
- vi. Clients are required to comply with the programme provided by the management.
- vii. In case of the management inability to provide the service applied for in time, a payment refund in full or part can be done within one month period.

b) Procedures for accessing machinery hire services

- i. Apply to the appointed management in-charge of agricultural mechanization services using an application form or a digital platform provided by the management
- ii. The application is then processed according to the laid down terms and conditions.
- iii. On approval of the application the client is requested to pay the requisite fee in full by depositing the same in respective approved bank accounts or any other appropriate method approved by Management.
- iv. Upon payment of the required fee, a field supervisor shall assess the work and draw a program for executing the work/service.
- v. The machinery, equipment and required service is mobilized to execute the work as per the application.

c) Payment of Fees

- i. Management will collect fees in return for the services rendered

- ii. The fee for services will be estimated at 80% of the market rates and will be reviewed regularly on an annual basis by management.
- iii. In order to sustain its services management will operate a collection account for mechanization services. 25% of the fees collected will be remitted as revenue to the county government. The remaining 75% will cater for operations and maintenance costs for the mechanization services.

3.2 Soil Testing, Analysis and Advisory Services

The services include: soil sampling, testing analysis and advisory.

In order to sustain efficient service delivery to the clients the following terms and conditions, and procedures are deemed necessary.

a) Terms and conditions

- i. Services will be rendered to farmers in the county, nationally and internationally.
- ii. The services will only be rendered to the client(s) upon full payment of the requisite fees.
- iii. Applications for services to be submitted to the appointed management in charge of the soil testing analysis and advisory services.
- iv. The machinery and equipment can only be hired to private contractors.
- v. The County Government can partner with other organizations in the provision of the services.
- vi. Clients are required to comply with the programme provided by the management.
- vii. In case of the management inability to provide the service applied for in time, a payment refund in full or part can be done within agreed period of time.

c) Procedures for accessing soil testing and analysis services.

- i. Apply to the appointed management in-charge of soil testing and analysis services using an application form or a digital platform provided by the management.
- ii. The application is then processed according to the laid down terms and conditions.
- iii. On approval of the application the client is requested to pay the requisite fee in full by depositing the same in respective approved bank accounts or any other appropriate method approved by Management.
- iv. Upon payment of the required fee, a field supervisor shall make arrangements for the execution of the work/service.

c) Payment of Fees

- i. Management will collect fees in return for the services rendered
- ii. The fee for services will be estimated at 80% of the market rates and will be reviewed regularly on an annual basis by management.
- iii. In order to sustain its services management will operate a collection account for soil testing and analysis services. 25% of the fees collected will be remitted as revenue to the county government. The remaining 75% will cater for operations and maintenance costs for soil testing ,analysis and advisory services.

3.3 Artificial Insemination Services

Dairy cattle can be improved through artificial insemination using semen from proven sires. This is by upgrading the local zebus and their crosses as well as improving on the existing exotic and their crosses' gene pool in the County. A.I in cattle is a process by which sperm is artificially collected from the bull, processed, stored and introduced into the reproductive tract of cows/heifers with signs of standing heat for the purpose of attaining conception. A.I in cattle breeding has a history of over 100 years in the world. In Kenya, the program started at a government farm in 1935 with the aim of controlling venereal (breeding) diseases.

A.I services in cattle in Bungoma County started in the early 1960s by the then Kenya National Artificial Insemination Services (KNAIS) in an effort to upgrade the local breeds of cattle with exotic breeds. This was fully funded by the government until in 1989 when the Structural Adjustment Program was introduced and costs were shared between the farmer and the government. Later on, farmers have had to meet the total cost of the service solely. There has been a steady uptake of the service by farmers in the county among the native and exotic breeds and or their crosses over the years.

Perceived high cost of AI services (above Ksh 1500 per service) has forced farmers to opt for natural services using available unproven bulls. Bull service costs vary between ksh 300 to 1000. Farmers who choose natural services also felt that AI services have low conception rates, however, natural services are associated with spread of venereal diseases which also lead to repeat breeder syndrome. To overcome the negative effects of high costs of AI services and natural services, the County Government of Bungoma will subsidize AI services at a cost sharing model as highlighted below:

General objective

To improve the productivity of the County dairy cattle herd by improving the genetic composition of the herd with emphasis on traits that increase milk production per lactation.

Specific objectives

1. Improve access to A.I services by farmers through a subsidized program.
2. Minimize breeding diseases among cattle population in Bungoma county.
3. Increase income for farmers through sale of milk and breeding/bulling heifers.

4. Improve nutrition and health status of the community through milk consumption.

Operationalization of A.I Subsidy

1. The county government will provide A.I equipment, accessories, liquid nitrogen and semen to the identified A.I service providers.
2. Available veterinary staff identified by the CDVS will be used in this subsidy program
3. In the medium-term, the county government will employ and train AI service providers and ensure that they are facilitated to ease access to the farmers.
4. The Inseminators/service providers will be allocated service delivery units and will report to the sub county veterinary officers.
5. Contact details of designated inseminators will be provided to farmers in specific delivery units at strategic points and also shared through relevant approved channels
6. Where possible, the Department will establish a toll free fully equipped call center at the County and Sub County Headquarters. The center will be manned by the officer deployed by the County Director of Veterinary Services, whose functions will be to receive calls from farmers requesting for AI services across the county, and then linking the farmer with area/unit AI providers.
7. The county government will provide inseminators adequate transport to and from the benefiting farmer
8. The service providers will be provided with AI booklets in quadruplicate where by the original copy is left with the farmer attached with the used straw, another copy to the Sub County veterinary office for record keeping, another to the county veterinary office and the other copy remains in the book with the inseminator
9. The county government will identify and collaborate with other stakeholders and development partners to support the program
10. For efficient heat detection and service, heifers and cows due for service shall be recruited into a synchronization program per farmer group, cooperative or CBO.
11. The County Government shall procure hormones based on budget availability (gonabreed and estroplan) or enter into agreement with a strategic partner to support this. This increases accuracy of the heat detection records as the service provider is fully involved. The hormones shall be controlled by the CDVS
12. Farmers will be trained adequately on heat detection signs and reporting in cattle.
13. Farmers will pay 50% of the prevailing market cost for the provided AI service. The payment will be made to the relevant approved collection account through direct deposit, mobile money transfer or any other approved channel.
14. The AI service charge under long term measures will be reviewed in line with the prevailing economic circumstances.
15. A board comprising the CDVS, CDLP, CDC, Chief Officer Livestock, SCVO per respective Sub County, one A.I service provider per CBO/farmer group/cooperatives and one farmer representative will be formed to oversee the implementation of the subsidy program.

3.3 Subsidized Vaccinations for disease prevention, control and eradication

Livestock Vaccination is intended to prevent and control the occurrence of a disease and reduce

the transmission of the pathogenic agent. Ideally, vaccines should induce immunity that prevents infection. However, some vaccines may only prevent clinical signs, or reduce multiplication and shedding of the pathogenic agent. Vaccinations contribute to improvement of animal and human health, animal welfare, agricultural sustainability and to reduction on the use of antimicrobial agents in animals. Vaccination has proved its capacity to help prevent, control and eradicate several diseases in addition to or as alternative to stamping-out policy.

A. Vaccination strategies

Different vaccination strategies may be applied alone or in combination, taking into account the epidemiological and geographical characteristics of occurrence of the disease. The following strategies may be applied:

Barrier vaccination means vaccination in an area along the border of an infected county or zone to prevent the spread of infection into or from a neighboring county or zone.

Blanket vaccination means vaccination of all susceptible animals in an area or the entire county

Ring vaccination means vaccination of all susceptible animals in a delineated area surrounding the location where an outbreak has occurred.

Targeted vaccination means vaccination of a subpopulation of susceptible animals

B. Logistics of vaccination

Vaccination programmes or campaigns should be planned in detail and well in advance considering the following elements:

a.) Procurement of vaccine

- i. For systematic vaccination campaigns, the process of procurement of the selected vaccine should be initiated in advance and in accordance with the relevant procurement laws and regulations to ensure timely delivery to meet the timeframe of the vaccination campaign.
- ii. County disease contingency plans should provide for emergency vaccination. These provisions may allow for simplified procedures to procure vaccines.
- iii. If vaccination is to be systematic, definitive vaccine banks with the relevant cold chains should be established strategically in the county.

b.) Procurement of equipment, consumables and logistics

In addition to the vaccine, the planning of the vaccination campaigns should include the procurement of all necessary equipment, consumables and allocation of daily subsistence together with transport for delivery of vaccines to the farmers.

c.) Implementation of the vaccination programme

Standard operating procedures should be established to:

- i. Implement the communication plan;
- ii. Establish, maintain and monitor the fixed and mobile components of the cold chain;
- iii. Store, transport and administer the vaccine;
- iv. Clean and disinfect equipment and vehicles, including heat sterilization of reusable

- equipment;
- v. Disposal of waste; determine the disposition of partially used or unused containers of vaccine, such as ampoules, vials and bottles
- vi. Implement biosecurity to ensure vaccination teams do not transmit the pathogenic agent between establishments
- vii. Identify vaccinated animals
- viii. Ensure the safety and welfare of animals
- ix. Ensure the safety of vaccination teams
- x. Record activities of vaccination teams
- xi. Document vaccination.

The availability of appropriate animal handling facilities is essential to ensure effective vaccination as well as safety and welfare of animals and vaccination teams

d.) Human resources

Vaccination should be conducted by appropriately trained and authorized personnel under the supervision of the Director for Veterinary Services. The vaccination programme should provide for periodic training sessions including updated written standard operating procedures for field use.

The number of vaccination teams should be sufficient to implement the vaccination campaign within the defined time frame. The vaccination teams should be adequately equipped and have means of transport to reach the places where vaccination is carried out.

e.) Public awareness and communication

The implementing department should adopt a communication strategy which should be directed at all stakeholders and the public to ensure awareness and acceptability of the vaccination programme, its objectives and potential benefits. The communication plan may include details on the timing and location of the vaccination, target population and other technical aspects that may be relevant for the public to know.

f.) Animal identification

Animal identification allows for the differentiation of vaccinated from unvaccinated domestic animals and is required for the monitoring and certification of vaccination. Identification can range from temporary to permanent identifiers and can be individual or group-based. Animal identification should be implemented

g.) Record keeping and vaccination certificates

Vaccination programmes under the Veterinary Service's responsibility should provide for maintenance of detailed records of the vaccinated population. Whenever needed, the County Directorate of Veterinary Services should consider issuing official certificates of the vaccination status of animals or groups of animals.

h.) Additional animal health-related activities

In addition to vaccination against a specific pathogenic agent, vaccination programmes may include other animal health-related activities such as vaccination against other pathogenic agents, treatments, biosecurity, surveillance, animal identification and communication. Including additional animal health-related activities may enhance the acceptability of the vaccination programme. These activities should not negatively affect the primary objective of the vaccination programme. Simultaneous vaccination against multiple pathogenic agents may be conducted, provided that compatibility has been demonstrated and the efficacy of the immune response against each of the pathogenic agents is not compromised.

i.) Payment of Fees

The price for the vaccination will be determined from time to time based on county government policies and directives. Fees will be paid through designated channels approved by the relevant accounting officer.

3.4 Agricultural Insurance

A. Overview of Agricultural Insurance in Kenya and in the County

The Kenya Agriculture sector is increasingly vulnerable to risks especially extreme and increasing weather variability. Erratic rainfall punctuated by severe droughts is the biggest risk facing the Kenya agricultural sector. Intermittent seasons of high rainfall resulting in floods followed by seasons of drought continue to characterize Kenya's agriculture environment. With the increase in changes in climate, there's a noted increase in notifiable crop diseases and pests.

Agricultural insurance in Kenya is an emerging line of insurance business. Over the past few years there has been growing interest in agricultural insurance with a number of insurance providers offering various products for both crop and livestock subsectors. In 2014 the Government of Kenya increased interest in agricultural insurance and has from then partnered with private sector actors with an aim of making insurance available and affordable to farmers.

Some of the agricultural insurance products available in the Kenyan market include Crop and Livestock Insurance. Crop Insurance covers crops against physical loss or damage and includes covers against fire, windstorm, excessive rainfall, drought and uncontrollable pests and diseases. Livestock Insurance provides cover against vagaries of weather, biological perils (pests and diseases) idiosyncratic/individual peculiar risks (fire, hails, theft) and systemic risks covering large areas e.g. Tsetse, armyworm and fall-worm

There are two broad categories of agricultural insurance in Kenya. These include indemnity-based insurance and index-based insurance.

The level of Agricultural insurance uptake and penetration is still very low in Kenya with less than 1% of farmers and pastoralist purchasing insurance.

In Livestock Insurance, the animals insured include dairy and beef cattle, small stock, poultry

and horses. Dairy cattle form the main insured class under livestock. Under conventional insurance, various perils are bundled together under one cover and losses are assessed individually to determine the compensation under the cover. Since 2000, there have been major innovations by agricultural insurance practitioners to use parametric or index-based solutions to insure against production losses in pasture, all of which use satellite imagery to measure the Normalized Difference Vegetative Index (NDVI) in pasture. The Index insurance is a single peril policy against adversities of drought/forage scarcity.

In the crop sub-sector conventional insurance products are mainly marketed to the commercial farmers, while weather index insurance (WII) products, developed in collaboration with development partners, target subsistence and semi-commercial crop producers. Through support of the World Bank, Kenya has also developed Area Yield Index Insurance Programme (AYII) that targets subsistence and semi-commercial farmers. The AYII is being implemented under a Public Private Collaboration model that was initially piloted on maize production in three counties in 2015 and by 2020 had expanded to 37 counties. Under this product, the government provides 50 percent premium support targeting n farmers with farm size ranging from 0.5 to 20 acres. In addition, the government supports data collection, farmers' mobilization, awareness creation, capacity building and coordination of stakeholders.

In the fisheries sub-sector, insurance packages exist for the large commercial production entities. For instance, in industrial fishing, Flag States are encouraged to promote access to insurance coverage by owners/charterers of fishing vessels to protect the crew and their interests. For the artisanal fisheries and aquaculture, a suitable insurance package is yet to be developed. Large scale commercial fish farm owners are also encouraged to insure their enterprises against the inherent risks, albeit expensive non-specific insurance packages. However, there is low interest in provision of insurance services to artisanal fishing communities/farmers as they are considered high risk enterprises

B. Subsidy Implementation Approaches For Crop Insurance

Both Vulnerable and Universal approaches will apply for agricultural insurance

For universal approach, beneficiaries will contribute 60% of the premium cost while the county government will contribute 40%

C. Identification of Beneficiaries

In implementing the agricultural insurance subsidy programme, the beneficiaries will be selected from the farmers register through a predetermined vetting process. In selecting beneficiaries in the Vulnerable Approach, the Ward vetting committee as per section..... will undertake the selection process. In the Universal Approach, beneficiaries will be identified from the farmers register according to the enterprise being supported with insurance. The relevant accounting officers will initiate the beneficiary identification process in line with approved budget, work plans and timelines.

a.) Vulnerable Approach selection criteria

A vetting committee at the Ward level will undertake the selection process. The beneficiaries must meet the following criteria:

- i. Be resource poor and vulnerable.
- ii. Be a practicing farmer.
- iii. Be practicing all the good agricultural practices.
- iv. Be willing to acquire any supplementary inputs not provided in the package.
- v. Be willing to be involved in subsequent training and program activities that may be instituted from time to time.

b.) Universal Approach Selection Criteria

The beneficiaries must meet the following criteria

- i. Be a registered farmer in a specific Ward within Bungoma County..
- ii. Be a practicing farmer as shall be determined by the registration database.
- iii. Beneficiary willingness and commitment to cover the co-financing where applicable.
- iv. Be engaged in an agricultural enterprise where insurance is being subsidized.
- v. Priority will be given to the beneficiaries of those who benefited from the subsidy inputs.

This criterion is not exhaustive and additional requirements can be specified under the specific subsidy programme.

D. Procurement of Insurance Services

Procurement of agricultural services will be subject to availability of funds and in accordance with the provisions of Public Procurement and Asset Disposal Act, 2015.

E. Steps for accessing subsidized insurance by the selected beneficiaries in the Vulnerable

- i. Selected beneficiaries for the Vulnerable Approach will be notified by the Ward Vetting Committees through available communication channels including designated notice boards of their successful selection to benefit.
- ii. Beneficiaries will also be notified by the procured or engaged insurance service provider.
- iii. Beneficiaries will be sensitized on the insurance requirements to understand their responsibilities and what is expected from the insurance service provider.

F. Steps for accessing subsidized insurance in the Universal Approach

- i. Farmers under the universal approach will be informed through available communication channels including the relevant Extension Officer of the value chain targeted with subsidized insurance programme.
- ii. To access the service, a registered farmer physically visits the Extension Officer at the Ward level in the directorate the enterprise is being insured and should express interest to be insured under the subsidy programme. The officer verifies the details of the farmer as registered and if satisfied, he/she informs or prompts the beneficiary to make his/her part of payment through a mobile money transfer;

- iii. After confirmation of payment the agricultural extension officer issues the beneficiary with an Insurance Cover Form for filling and signing.
- iv. The forms will then be forwarded to the relevant county agricultural directorate at the headquarters for submission to the procured insurance service provider.
- v. The Insurance Service Provider will engage with the beneficiaries as per the Procured Insurance Policy
- vi. The relevant accounting officer will keep a record of beneficiaries requesting and benefiting from subsidized insurance service.

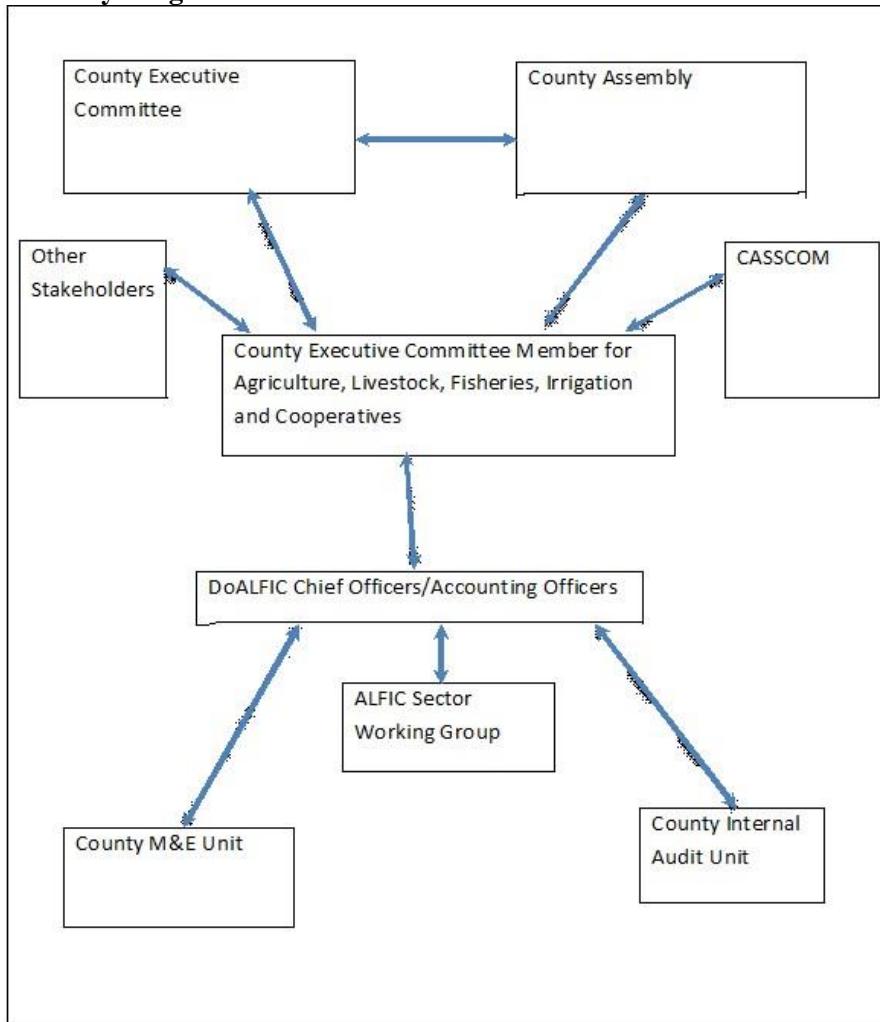
4. INPUT SUBSIDY PROGRAMME COORDINATION

4.1 Coordination Framework

The subsidy programmes will be coordinated through existing coordination platforms including government and departmental structures, committees, intergovernmental organizations and private sector partnerships.

Figure 1 illustrates the coordination framework for implementation of input subsidies in the county.

Figure 1: Subsidy Programme Coordination Structure



4.2 Ward Vetting Committee composition

For purposes of transparency and accountability in selection of beneficiaries, a seven member vetting committee will be formed to oversee beneficiary worthiness to the agricultural subsidies in the vulnerable approach. Appointment of the committee members will observe the 30% gender rule. Committee members will elect a vice-chair amongst themselves. The committee will include:

1. Member of farmers' organization/farmers Representative - Chair
2. Relevant Ward Agricultural Extension Officer (WAEQ) -Secretary
3. The Ward administrator
4. Special interest group (Woman)
5. Special interest group (Youth)
6. A faith based representative
7. A representative from persons with disabilities

4.3 Reporting

Reporting on implementation of subsidy programmes shall be as per existing county government reporting framework and channels. Reporting shall be based on the coordination framework indicated in figure 1.

4.4 Monitoring, Evaluation, Accountability and Learning (MEAL)

County and departmental M&E unit will coordinate MEAL and knowledge management for agricultural input subsidy programmes. Knowledge gained will guide subsequent selection of value chains, subsidy packages and specifications for the Subsidy programmes and platforms.

4.5 Exit and Sustainability Strategy

The exit and sustainability strategy define the gradual process of phasing out subsidies in the agricultural sector. The agency offering subsidies is required to adopt a smart approach on the design of the subsidy programme with clear objectives, targets and source of funding and a framework for ending the subsidy when the intended objectives are achieved.

Upon completion of a subsidy program, an evaluation report is prepared by the relevant technical teams and shared according to the coordination framework for final decision on the concluded subsidy programme.

Agricultural inputs targeting the vulnerable and resource poor will be prioritized on need-basis until the intended objectives are achieved. The universal subsidies shall be determined by the prevailing policies and directives. There will be Gradual Transitioning of the Vulnerable Approach beneficiaries to the Universal Approach in subsequent years to achieve 100% universal approach in subsidy delivery with clear targets.

Annex 1: EXISTING AND PAST INPUT SUBSIDIES INITIATIVES

S/No	Department	Type of subsidies offered	Remarks
1.	Crop Management and Agriculture Research	National Accelerated Agricultural Inputs Access Programme (NAAIAP)	Targeted to reach 2.5 M small scale farmers. By 2017 it had reached 500,000 farmers
		National Fertilizer Subsidy Programme	Commenced in 2018 and closed in 2019. The fertilizer was distributed through NCPB Depots. Distributed 1.27Mt of fertilizer
		KCEP-CRAL Subsidy Program	Implemented between 2015 and 2022. A Public Private Partnership delivered through an E-Voucher system
		National Value Chain Support Programme	The programme aims to support agricultural production and marketing through input-subsidized agriculture using the e-voucher input management system.
		Kenya Agriculture Insurance and Risk Management	started in 2015 Objective: -Manage risks and losses amongst smallholder farmers, -- -Increase productivity -Support transition from subsistence to commercially oriented farming.
2.	Livestock Development	Kenya Livestock Insurance	Intended to enhance the capacity of pastoral communities to minimize weather related risks through provision of index based livestock insurance.
		Smallholder Dairy Commercialization Program (SDCP)	Changed to Kenya Livestock commercialization Programme (KELCoP)
		Regional Pastoral Livelihoods Resilience Project (RPLRP)	Operating in 14 ASAL Counties with an allocation of Kshs. 8.3 billion since 2015.
		Animal Breeding inputs	A.I kits, semen, and 1250 A.I kits supplied to Counties
		Provision of Improved Kienyeji Chicks	Targets holdings in urban and peri-urban areas
		Dairy Goat Program	Objective is to improve milk production at the household level

S/No	Department	Type of subsidies offered	Remarks
3.	Fisheries	Supported fish farmers not farms construct 48,000 fish ponds, Supported private-sector driven fingerling supply chain, Supplied pond liner papers Supplied fish feeds, pelletizers, and fingerlings, Constructed fish mini processing factories, Constructed cold storage facilities, Rained fish farmers. Supported formation of Fish Farmers Associations (FFA)	Operated under the Economic Stimulus Programme. It led to increased fish production and enhanced incomes
		Supply of motorized boats to enable deep sea fishing	Supported by SDFABE, County Governments & Development Partners. The objective is to enable fishers exploit the Exclusive Economic Zone (EEZ)
		Provision of Landing Site facilities	Supported by SDFABE, County Governments & Development Partners with an aim of enhancing fish quality, safety and marketing
4.		Supply of Fish brooders	Objective is to provide improved brooders to 124 certified hatcheries for fingerlings production
5.	Cooperative Development	Seed and Seedlings Subsidy	Entails crop diversification program to reduce overreliance on one crop and also for food & nutritional security and increased income.
		Coffee Revitalization Programme- Digitization and modernization of Coffee factories	To improve efficiency, quality of processed coffee and reduce losses during processing
		Cotton Revitalization- Modernization of Co-operative Cotton Ginneries	Objective is to acquire and install stand-ginning lines in ginneries
		Modernization of New Kenya Cooperative Creameries (NKCC)	The objective is to increase New Kenya Cooperative Creameries (NKCC) processing capacity and to stabilize milk producer prices
6.	Subsidies provided at the Counties	AI, vaccines, improved breeds, fingerlings, dam liners, pond liners, fish	Some Counties have enacted Bills to facilitate the implementation of the

S/No	Department	Type of subsidies offered	Remarks
		feeds, deep freezers, cooler boxes, fishing aids, outboard engines, fish display counters, mechanization services, seeds & seedlings, sprayers, equipment, pesticides and chemicals.	programs

Annex 3: Risk Matrix

No.	Risk	Likelihood	Impact	Mitigation Measures
1.	Non-compliance with the Guidelines	Medium	High	<ul style="list-style-type: none"> • Sensitization of actors • Involvement and consultation of actors • Regular monitoring and reporting • Institutionalization of feedback mechanisms
2.	Inadequate financing for implementation of the Guideline	Low	High	<ul style="list-style-type: none"> • Resource mobilization • Political goodwill
3.	Intergovernmental disputes	Low	High	<p>Clear channel of communication Promote coordination Sensitization on existing inter-governmental structures</p>

APPENDIX X1: APPLICATION FORM COPY FOR MECHANIZATION SERVICES**PART I: PERSONAL DETAILS**

Name:

ID/PASSPORT NO:

Postal address

Physical address

Telephone no

Email.....

Farm Reg no/Plot No:.....

Farm size:.....

Sub County

Ward:.....

Village.....

PART II: WORK DETAILS (Please see hire rates and terms of conditions overleaf)

	Work description	Unit measure	Quantity	Rate (Ksh)	Cost (Ksh)
TOTAL KSH					

Applicant's signature:..... Date:.....

PART III (For Official use only)

The application is approved/not approved_____ (delete not applicable)

If not approved give reason(s)_____

Officer's signature_____ Date: _____