

LEGAL NOTICE No.

THE PUBLIC FINANCE MANAGEMENT ACT, 2012

(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 24(4) of the Public Finance Management Act, 2012, the Cabinet Secretary for Finance makes the following Regulations -

**THE PUBLIC FINANCE MANAGEMENT (AGRICULTURE DEVELOPMENT FUND)
REGULATIONS, 2025**

	PART I-PRELIMINARY
Citation	1. These Regulations may be cited as the Public Finance Management (Agriculture Development Fund) Regulations, 2025.
Interpretation. No. 18 of 2012	<p>2. In this Regulations, unless the context otherwise requires: -</p> <p>“Accounting Standards Board” has the meaning assigned to it under section 2 of the Act;</p> <p>“Act” means the Public Finance Management Act, 2012;</p> <p>“Administrator of the Fund” means a person designated as such under Regulation 13;</p> <p>“Agricultural subsidy support” refers to the benefit given by the Government to agriculture value chain actors to promote agricultural value chain development in accordance with Regulations</p> <p>“Agricultural value chain activities” means the series of activities from production, post-harvest management, processing and marketing and distribution of agricultural produce and products</p> <p>“Agriculture” means cultivation of land and the use of land (whether or not covered by water) or use of any artificial media for any purpose of crop, livestock or fisheries husbandry; the use of land as grazing, meadow land, market gardens or nursery grounds; and the use of land for agroforestry, when that use is ancillary to the use of land for other agricultural purposes; and the term “agricultural” shall be construed to mean related to or connected with agriculture;</p> <p>“Beneficiaries of the Fund” refers to agriculture value chain actors who are end-users of support from the Fund who would receive loans, credit guarantees, or subsidies through Recipient Institutions under the Agriculture Development Fund’s terms.</p>

	<p>“Board” means the Agriculture Development Fund Oversight Board established under Regulation 9.</p> <p>“Cabinet Secretary” has the meaning assigned to it under section 2 of the Act;</p> <p>“Deposit-taking Saccos” means deposit taking business as defined in section 2 of the Sacco Societies Act, 2008</p> <p>“Fund” means the Agriculture Development Fund established under Regulation 3;</p> <p>“Government entities and institutions” means Ministries, Departments and Agencies of the national and County Government as the case may be</p> <p>“Microfinance institutions” means the deposit-taking microfinance institutions referred to in section 2 of the Microfinance Act, 2006</p> <p>“Recipient institutions” means those institutions duly qualified to directly receive disbursements from the Agriculture Development Fund for the purposes of on-lending, credit guarantee, or subsidy support;</p> <p>“Subsidy maintenance charge” means a mandatory charge imposed on the proceeds of beneficiaries of subsidy programs supported by the Fund.</p> <p>“Subsidy support” refers to the funds allocated to partially support agricultural value chain activities as outlined in Regulation 36 (1) (a)</p>
	PART II-AGRICULTURE DEVELOPMENT FUND
Establishment of the Fund	3. There is established a Fund to be known as the Agriculture Development Fund.
Objects and Purpose of the Fund	<p>4. (1) The objects and purpose of the Fund shall be to mobilize resources to ensure sustainable financing and effective subsidy management in the agriculture sector for enhanced productivity, value addition and marketing for improved food and nutrition security.</p> <p>(2) Without prejudice to the generality of paragraph (1), the Fund shall be used for: -</p> <ul style="list-style-type: none"> a. Provision of credit to agricultural value chain actors through credit guarantee schemes by commercial financial institutions and on-lending by public finance institutions; b. De-risking the agriculture sector through Agri-Insurance; and, c. Provision of agriculture subsidy support.
Application of the Fund	5. The Fund shall be applied towards the objects and purpose as specified under regulation 4.

Source of the Fund	<p>6. The Fund shall consist of: -</p> <ul style="list-style-type: none"> (a) such monies as may be appropriated by Parliament; (b) grants, donations, bequests or other gifts for the purposes of the Fund; (c) subsidy maintenance charge; (d) income generated from the proceeds of the Fund in form of interest, penalties and other charges; (e) proceeds from investments of the Fund; and (f) any other monies accruing to or received by the Fund from any other lawful sources approved by the Cabinet Secretary.
Capital of the Fund.	<p>7. The initial capital of the Fund shall be Kenya Shillings 150 Billion appropriated by Parliament in the financial year 2025/2026.</p>
Subvention to the Fund.	<p>8. (1) Where the Fund is insufficient to provide for the purposes provided for under Regulation 4, the National Treasury may allocate additional funds to cater for the deficit.</p> <p>(2) The National Treasury in considering the request for additional funds under sub-regulation 1 shall satisfy itself that: -</p> <ul style="list-style-type: none"> a) The funds have been prudently utilized and in accordance with these regulations and other applicable laws. b) That the deficit arose from execution of lawful instructions from the Government to address a social need or intervention. c) That the deficit arose due to unforeseen external circumstances encountered in the furtherance of the objectives and purpose of the Fund.
Headquarters of the Fund	<p>9. (1) The headquarters of the Fund shall be in Nairobi.</p> <p>(2) Despite Sub regulation (1) above, the Fund shall pursuant to Article 6 (3) of the Constitution ensure access to its services in all parts of the republic by establishing regional offices.</p>
	<p>PART III-ESTABLISHMENT OF THE BOARD OF THE FUND</p>
Establishment of the Board	<p>10. There is established a board to be known as the Agriculture Development Fund Oversight Board.</p>
Membership of the Board	<p>11. (1) The Board shall consist of-</p> <ul style="list-style-type: none"> (a) A chairperson appointed by the President, who shall be a person with leadership and management experience of 10 years; (b) Principal Secretary responsible for matters relating to agriculture or a

	<p>representative designated in writing;</p> <p>(c) Principal Secretary responsible for matters relating to finance or a representative designated in writing;</p> <p>(d) Principal Secretary responsible for matters relating to livestock or a representative designated in writing;</p> <p>(e) Principal Secretary responsible for matters relating to fisheries or a representative designated in writing;</p> <p>(f) Chief Executive Officer of the Council of Governors or a representative designated in writing;</p> <p>(g) Chair of the agriculture County Executive Committee Members caucus</p> <p>(h) Five other members appointed by the Cabinet Secretary, of whom-</p> <p style="padding-left: 40px;">(i) Two members shall be from the financial sector;</p> <p style="padding-left: 40px;">(ii) Three members shall be farmers from the crops, livestock and fisheries sub-sectors;</p> <p>(i) The Chief Executive Officer who shall be the secretary of the Board and an ex-officio member with no voting right.</p> <p>(2) The Board may from time to time co-opt other members as it may deem necessary for the proper and efficient discharge of its functions.</p> <p>(3) Members appointed under sub regulations (1) (a) and (h) above shall have a university degree from a recognized institution and serve for a term limit of three years and be eligible for re-appointment for one more term.</p>
Functions of the Board	<p>12. The Board shall-</p> <p style="padding-left: 40px;">a) Formulate policies and guidelines for the management of the Fund;</p> <p style="padding-left: 40px;">b) Mobilize resources for the Fund and other assistance to promote the object for which the Fund is established;</p> <p style="padding-left: 40px;">c) Approve estimates of revenue and expenditure of the Fund before submission to the Cabinet Secretary responsible for matters relating to agriculture;</p> <p style="padding-left: 40px;">d) Monitor and evaluate programmes and activities supported by the Fund and make appropriate recommendations;</p> <p style="padding-left: 40px;">e) Approve annual work programmes and procurement plans for the Fund;</p> <p style="padding-left: 40px;">f) Determine the amounts of money payable for the purposes of the Fund and formulate the conditions for disbursement;</p> <p style="padding-left: 40px;">g) Receive, review and approve statutory and management reports</p>

	<p>of the Fund before submission to the Auditor general with copies to the National Treasury and Controller of Budget;</p> <p>h) Receive any gifts, donations, grants or endowments made to the Fund; and</p> <p>i) Perform any other functions that are ancillary to the object and purpose for which the Fund is established.</p>
Conduct of the affairs of the Board	13. The conduct and regulation of the business and affairs of the Board shall be as provided in the First Schedule
Administration of the Fund	<p>14. (1) The Chief Executive Officer appointed under Regulation 15 is designated under these Regulations as the administrator of the Fund.</p> <p>(2) The Administrator of the Fund shall; -</p> <p>(a) Open and operate bank account(s) for the administration of the Fund as recommended by the Board;</p> <p>(b) Supervise and control the administration of the Fund;</p> <p>(c) Consult with the Board on matters relating to the administration of the Fund;</p> <p>(d) Cause to be kept proper books of accounts and record in relation to the Fund;</p> <p>(e) Prepare, sign and submit to the Board in respect of each financial year and within three months, after the end thereof, a statement of account related to the Fund;</p> <p>(f) Prepare, sign and transmit to the Auditor General, upon the approval by the Board, in respect of each financial year and within three months after the end, thereof, a statement of accounts relating to the Fund and submit a copy to the Cabinet Secretary.</p> <p>(g) The statements in 11(2)(f) shall be prepared in accordance with the provisions of the Act and Public Audit Act, 2015;</p> <p>(h) furnish additional information, as the Auditor General may consider to be proper and sufficient for the purpose of examination and audit in accordance with the provisions of the Public Audit Act, 2015;</p> <p>(i) Prepare quarterly reports on financial and non-financial activities of the Fund in accordance with the provisions of the Act and submit the report to the Board for approval and subsequent transmission to the National Treasury and Controller of Budget; and</p>

	(j) be the custodian of all the assets, equipment and property under the Fund.
Chief Executive Officer of the Fund	<p>15. (1) There shall be a Chief Executive Officer of the Fund who shall be competitively appointed by the Cabinet Secretary upon recommendation by the Board.</p> <p>(2) A person shall be appointed as Chief Executive Officer if that person—</p> <ul style="list-style-type: none"> (a) holds a Master’s degree in either economics, accounting, finance or a related degree from a recognized institution; (b) has ten years of work experience of which five years shall be in senior management level in a relevant field; and (c) meets the requirement of Chapter Six of the Constitution. <p>(3) A person appointed as a Chief Executive Officer shall hold office—</p> <ul style="list-style-type: none"> (a) for a term of three years and will be eligible for renewal for a further one term; and, (b) on such terms and conditions as may be determined by the Board in consultation with the Cabinet Secretary.
Vacation of office by Chief Executive Officer	<p>16. The Chief Executive Officer of the Fund shall cease to hold office if the person—</p> <ul style="list-style-type: none"> (a) resigns from office by notice in writing to the appointing authority; (b) is removed from office by the appointing authority upon being— <ul style="list-style-type: none"> (i) in breach of chapter six of the constitution and (ii) otherwise unable or unfit to discharge duties of the office.
	PART IV – ROLES OF NATIONAL AND COUNTY GOVERNMENTS
Roles of National Government	<p>17. The role of the National Government in facilitating the access to credit and supporting subsidy programme will be to;</p> <ul style="list-style-type: none"> (a) Develop National agricultural policies and strategies and provide oversight to guide the use of the Fund. (b) Mobilize resources including from national budget allocation, from development partners and other stakeholders. (c) Capacity build and provide technical support to the counties (d) Set out frameworks for monitoring and evaluating the performance and impact of the Fund. (e) Collaborate with counties to avoid duplicity, regulate standards and

	quality control of services and goods that are procured through the Fund.
Roles of county governments	<p>18. (1) The role of the County Government in facilitating the access to credit and supporting subsidy programmes will be to;</p> <ul style="list-style-type: none"> a) Identify and register eligible beneficiaries. b) Sensitize and capacity build beneficiaries. c) Coordinate the subsidy program at the County. d) Monitor progress of the subsidy programs in the counties and report outcomes to the national government and stakeholders. e) Collaborate with National Government to synergize resource mobilization. <p>(2) Counties may use the National Subsidy framework for administering such County Subsidy support.</p>
Coordination framework for Agricultural Development Fund	<p>19. The Principal Secretary responsible for matters relating to agriculture shall after consultations with the relevant stakeholders operationalize an Agricultural Development Fund coordination framework (as specified in the Policy) to facilitate intergovernmental and state and non-state actors partnership and collaboration for the purposes of these Regulations.</p>
	PART V - RECIPIENT INSTITUTIONS, BENEFICIARIES AND CRITERIA FOR ACCESSING THE FUND
Recipient institutions for on-lending of funds	<p>20. The monies from the Fund for on-lending shall be channeled through;</p> <ul style="list-style-type: none"> a) Agricultural Finance Corporation b) Commodities Fund
Recipient institutions for credit guarantee funds	<p>21. The following recipient institutions shall be eligible for credit guarantee to unlock funds for lending to agriculture</p> <ul style="list-style-type: none"> a) Commercial Banks b) Micro Finance Institutions c) Deposit-taking Saccos dealing with agricultural value chain activities d) Digital Credit Providers dealing with agricultural value chain activities
Funds for subsidy support	<p>22. Subsidy support shall be implemented by the Board through e-voucher which is a digital system that allows for the distribution and redemption of vouchers.</p>

<p>Criteria for accessing the funds for on-lending</p>	<p>23. (1) In the case of identified National agricultural priority value chains the Cabinet Secretary responsible for matters relating to agriculture may request the Board to allocate and disburse funds for on-lending to recipient institutions specified under regulation 20.</p> <p>(2) The Board shall consider the request and determine the following;</p> <ul style="list-style-type: none"> a) The target beneficiaries b) The terms and conditions for on-lending to the beneficiaries c) The period for which the funds will be available for on-lending for the particular national agricultural value chain <p>(3) The Board shall allocate and disburse the funds for on-lending to the recipient institutions.</p> <p>(4) The Recipient institutions for on- lending shall develop procedures for on-lending to beneficiaries in consultation with the Board.</p>
<p>Criteria for accessing the funds for credit guarantee</p>	<p>24. (1) The Board shall, in consultation with the Cabinet Secretary responsible for matters relating to agriculture, determine areas and amounts for each priority area of funding based on agriculture sector priority value chains;</p> <p>(2) Access to credit guarantee funds by the institutions under Regulations 21 shall be based on agriculture sector priority value chains specified in sub-regulation (1);</p> <p>(3) The Board shall notify eligible institutions under Regulation 21 on opportunities for application for credit guarantee schemes offered by the Government, specifying the terms and conditions for application and requirements for grant of the credit guarantee scheme.</p> <p>(4) Interested eligible institutions shall apply for the credit guarantee in Form ADF 1 in the Second Schedule and upon payment on an application fee specified in Third Schedule</p> <p>(5) The Board shall consider an application made under sub-regulation (4) within 45 days from the date of receipt and notify applicants who meet terms and conditions for application and conditions for grant of credit guarantee scheme.</p> <p>(6) The Board shall execute an agreement and grant a credit guarantee scheme to the qualifying applicant under sub-regulation (5) specifying the terms and conditions including the amounts, purpose and pricing and termination of the credit guarantee arrangement;</p> <p>(7) The Board will reserve the right to terminate the agreement where the entity administrating the credit guarantee breaches the agreement referred to under sub-regulation (6).</p>

Criteria for the subsidy support	<p>25. (1) Subsidy support under Regulations 16 shall be based on Government priorities that require subsidy support.</p> <p>(2) Beneficiaries registered in line with regulation 18 (1) shall receive e-vouchers for redemption.</p>
Beneficiaries of the Fund	<p>26. (1) Beneficiaries shall include the following;</p> <ul style="list-style-type: none"> (a) Individual Farmers, Agro-dealers, Aggregators, Agro-processors, Market Actors, (b) Cooperative Societies dealing with agricultural value chains (c) Duly registered organizations dealing with agricultural value chain activities <p>(2) In the case of on-lending of funds from public institutions under regulation 20 and guaranteed loans under regulation 21, access to funds by beneficiaries shall be based on procedures developed by respective lending institutions in consultation with the Board.</p> <p>(3) In the case of subsidy programs, access to subsidy support by individual beneficiaries of the National agricultural subsidy programs shall;</p> <ul style="list-style-type: none"> (a) Target small scale farmers in crop, livestock and fisheries production. (b) Be capped at a figure to be determined by the Cabinet Secretary from time to time and (c) Be administered through a centrally managed digital platform.
Repayment to the Fund	<p>27. (1) The recipient institutions for on-lending shall repay the monies received from the Fund within the terms and conditions specified in the lending agreement.</p> <p>(2) The recipient institution of funds for credit guarantee shall repay back the balances and interest accrued to the Fund after expiry of period of implementation of the credit guarantee scheme</p> <p>(3) In the case of subsidy support, the Board shall require Subsidy Maintenance Charge to be imposed as per Regulation 28.</p>
Imposition of subsidy maintenance charge	<p>28. (1) The Cabinet Secretary, in consultation with the Cabinet Secretary for the time being responsible for matters relating to agriculture and the Board, shall impose a Subsidy Maintenance Charge of between 80% and 100% of the total subsidy provided on the after-sale proceeds due to a beneficiary for the purpose of;</p> <ul style="list-style-type: none"> (a) Establishing a cost-sharing mechanism that require beneficiaries to contribute a portion of the subsidy cost after sales of produce, product or service, in order to create a shared

	<p>financial responsibility that encourages ownership and prudent use of subsidy resources; and,</p> <p>(b) Promoting financial sustainability in funding of subsidy programmes</p>
Collection/recovery of subsidy maintenance charge and other fees	<p>29. (1) the Board shall collect the Subsidy Maintenance Charge at the rate imposed under Regulation 27 either -</p> <p>(a) directly from proceeds due to individual beneficiaries; or</p> <p>(b) through aggregating entities where subsidies were advanced through beneficiary including cooperative societies, beach management units, agro-processors or value chain associations.</p> <p>(2) in the collection of the Subsidy Maintenance Charge the Board shall ensure that –</p> <p>(a) The National subsidy programmes have developed systems for registration and proper targeting of beneficiaries.</p> <p>(b) Leverages the capacity of beneficiary farmer cooperatives or other value chain actors’ associations by channeling subsidies through these cooperatives or specialized groups, which collect member contributions and manage funds collectively.</p> <p>(c) Uses innovative, transparent and accessible systems for issuing and collecting Subsidy Maintenance Charge including digital platforms to build trust among beneficiaries.</p> <p>(d) Incentivize contributions by requiring recipient institutions to link beneficiaries to tangible benefits such as access to better inputs, technical support, or market opportunities.</p> <p>(e) Implements Gradual Phasing and Transition Support by starting with higher subsidy levels initially and gradually increasing beneficiary contributions over time as farmers’ and other value chain actors productivity and incomes improve.</p> <p>(3) The Fund shall develop guidelines for effective recovery of the maintenance charge taking into account crop, fisheries or livestock enterprise types and scale of production.</p> <p>(4) The Board may charge fees for services relating to application, evaluating and processing of recipients of the Fund specified in the Third Schedule.</p>
Failure to pay Subsidy	<p>30. Where a beneficiary of a subsidy support fails to pay the subsidy maintenance charge;</p>

Maintenance Charge	<p>(a) The person shall cease to be a beneficiary of subsequent subsidy support.</p> <p>(b) The person shall be required to repay their outstanding subsidy maintenance charge amount due to the Fund together with any associated penalties that may be imposed before they can benefit from subsequent subsidy support.</p>
	PART VI – FINANCIAL PROVISIONS
Application of Government regulations and procedures.	31. Subject to the provisions of the Act, existing government regulations and procedures shall apply in the administration of the Fund.
Financial year of the Fund	32. The financial year of the Fund shall be the period of twelve months ending on the 30 th day of June of every year.
Preparation and submission of a work plan and budget	33. The Administrator of the Fund shall prepare a work plan and budget in respect of a financial year and submit to the Board for approval.
Quarterly and annual reports on work plans and disbursements	<p>34. (1) The Board shall on a quarterly and annual basis, submit the reports to the Cabinet Secretary responsible for matters relating to Agriculture with a copy to the Cabinet Secretary.</p> <p>(2) The report envisaged under paragraph (1) shall include-</p> <ul style="list-style-type: none"> (a) a summary of the activities approved by the Board in the preceding quarter as recommended by the Administrator of the Fund and indicating the funding status of such activities; (b) a summary of the status of disbursements from the Fund for the implementation of the work plan financed from the Fund; (c) a summary of outputs and outcomes of each activity, where applicable; (d) information on the financial and non-financial performance of the Fund <p>(3) The reports shall comply with the standards set by the Public Sector Accounting Standards Board from time to time.</p>
Record of disbursements	35. An accurate record of all disbursements from the Fund shall be kept and updated every month by the Administrator of the Fund.
Administration costs of the Fund	36. The administration costs of the Fund shall be a maximum of three percent (3%) of the approved Budget of the Fund.

Expenditure of Fund	<p>37. (1) There shall be paid out of the Fund payments in respect of any expenses incurred in pursuance of the objects and purposes for which the Fund is established including the following; -</p> <ul style="list-style-type: none"> (a) Agricultural subsidy support including; <ul style="list-style-type: none"> (i) Agricultural inputs (ii) Agricultural machinery, equipment and farm structures (iii) Small-holder farmer irrigation equipment and infrastructure (iv) Post-harvest and Aggregation facilities (v) Agro-processing (vi) Agriculture Insurance (b) Credit financing for the agricultural sector (c) Provide credit guarantee to unlock private sector financing for agriculture (d) administrative costs of the Fund; <p>(2) (a) All payments made from the Fund for the purposes of the Agriculture Development Fund shall be on the basis of the approved annual work plan and budget.</p> <p>(b) Every withdrawal from the account(s) of the Fund shall be fully supported in line with the provisions of the Act.</p> <p>(3) Any revision of the approved annual work programmes, and of any cost estimate shall be referred to the Board for approval.</p>
Opening bank accounts	<p>38. (1) The Administrator of the Fund shall open bank account(s) as recommended by the Board and approved by the National Treasury in accordance with the Act.</p> <p>(2) The accounts shall be held for and on behalf of the Fund in the name of the Agriculture Development Fund.</p>
Retention of receipts	<p>39. All receipts, earnings and accruals to the Fund, and the balance of the Fund at the close of each financial year, shall be retained by the Fund for use for the purpose for which the Fund is established.</p>
Annual reports	<p>40. (1) The Administrator of the Fund shall prepare annual financial and non-financial reports in accordance with the provisions of the Act.</p> <p>(2) In addition, the Administrator of the Fund shall prepare an annual general performance report of the Fund to be submitted with the report under paragraph (1).</p>

No. 34 of 2015	(3) The annual financial and non-financial statements under paragraph (1) shall be approved by the Board and submitted to the Auditor General for audit within three months after the end of the financial year in accordance with the Public Audit Act and a copy thereof submitted to the Cabinet Secretary and Controller of Budget.
Audit	41. The books of accounts of the Fund including donor funds shall be prepared, audited and reported in accordance with Articles 226 and 229 of the Constitution, the Act and the Public Audit Act, 2015.
	PART VII- MISCELLENEOUS PROVISIONS
Conflict of interest	42. If a person has a personal or fiduciary interest in any matter before the Board, and is present at a meeting of the Board or any committee at which such a matter is the subject of consideration, that person shall as soon as is practicable after the commencement of the meeting, declare such interest and shall not take part in any consideration or discussion of, or vote on any question touching such matter.
Offence and penalty	<p>43. (1) Any person who misappropriates any funds or assets from the Fund, or assists or causes any person to misappropriate or apply the funds otherwise than in the manner provided in these Regulations, commits an offence and shall, upon conviction, be liable to penalties prescribed in the Act.</p> <p>(2) In addition to the penalty prescribed under paragraph 1 and subject to existing relevant law, the court may order for the recovery of the monies or assets acquired as a result of the commission of the offence thereof.</p>
Alternative Dispute Resolution	<p>44. Disputes arising out of engagement between parties shall be resolved through a two-tier mechanism:</p> <p>(a) Amicable negotiation between the parties within 14 (fourteen) days of notice of the dispute; and if unresolved</p> <p>(b) Binding arbitration under the Arbitration Act, NCIA Act and NCIA Rules of the body seated in Nairobi, with the language of arbitration being English.</p>
Personal liability	45. No Board member or staff shall be liable for any action, suit or proceedings for or in respect of any act done or omitted to be done in good faith in exercise of the functions, powers and duties conferred under these regulations.
Winding-up of the Fund	<p>46. (1) In the event of winding up of the Fund; —</p> <p>(a) the Board shall pay any amount remaining in the Fund into the National Exchequer Account for the credit of the</p>

	<p>National Government while other assets of the Fund shall be transferred to The National Treasury;</p> <p>(b) the Cabinet Secretary shall pay any deficit in the Fund from the funds of the National Government in the National Exchequer Account with the approval of the National Assembly; and</p> <p>(c) the Cabinet Secretary shall submit a final statement of accounts of the Fund to the National Assembly.</p> <p>(2) The Board shall prepare the final winding up report not later than six months from the date of the decision to wind up the Fund and submit the financial and non-financial reports to the Auditor General for audit with a copy to the Cabinet Secretary and Cabinet Secretary for the time being responsible for matters relating to Agriculture.</p> <p>(3) The Auditor General shall after audit, submit the final report to the National Assembly within three months of the receipt of the initial report under paragraph (2), with a copy to the Cabinet Secretary.</p>
--	--

Made on the _____ day of _____ 2025

John Mbadi Ng'ongo,
Cabinet Secretary for the National Treasury and Planning.

First Schedule

r(13)

Conduct and Regulation of the Business and Affairs of the Board

1. Meetings of Board

(1) The Board shall meet as often as may be necessary for the dispatch of its business but there shall be at least four meetings of the Board in any financial year.

(2) A meeting of the Board shall be held on such date and at such time and place as the Board may determine.

(3) The Chairperson shall, on the written application of one-third of the members, convene a special meeting of the Board.

(4) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board.

(5) The quorum for the conduct of business at a meeting of the Board shall be any five members

(6) The Chairperson shall preside at every meeting of the Board at which he or she is present and in the absence of the Chairperson at a meeting, the members present shall elect one of their number who shall, with respect to that meeting and the business transacted thereat, have all the powers of the Chairperson.

(7) Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of the votes of the members present and voting at the meeting and in the case of an equality of votes, the Chairperson or the person presiding shall have a second or casting vote.

(8) Subject to paragraph 5, no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof.

(9) Unless otherwise provided by or under any law, all instruments made by and decisions of the Board shall be signed under the hand of the Chairperson.

(10) Subject to this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board and for the attendance of other persons at its meetings and may make rules in respect thereof.

(11) The Board shall cause minutes of all resolutions and proceedings of meetings of the Board to be entered in books kept for that purpose.

2. Disclosure of interest

(1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, that person shall, at the meeting and as

soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.

(2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

3. Contracts

Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Board by any person generally or specially authorised by the Board for that purpose.

Second Schedule

FORM ADF 1

r(24)(4) & (25)(2)

APPLICATION FORM FOR ACCESSING THE FUND

1. Recipient institutions eligible for funding for on-lending or subsidy to the beneficiaries;

a) Agricultural Finance Corporation (Tick): ☐

b) Commodities Fund (Tick): ☐

2. Recipient institutions eligible for credit guarantee for lending to agriculture

a) Commercial Bank

Name.....P.O. Box.....Code.....Town.....

KRA Pin No.....Location of the Headquarters.....

b) Micro Finance Institution

Name.....P. O. Box.....Code.....Town.....

KRA Pin No.....Location of the Headquarters.....

c) Saccos

Name.....P. O. Box.....Code.....Town.....

KRA Pin No.....Location of the Headquarters.....

d) Digital Credit Providers

Name.....P. O. Box.....Code.....Town.....

KRA Pin No.....Location of the Headquarters.....

3. Recipient institutions eligible for credit guarantee for lending to agriculture

Name of the Institution.....P. O.
Box.....Code.....Town.....

KRA Pin No.....Location of the Headquarters.....

4. Amount Applied For

Amount applied for (KES)(Figures)

(Amount in words).....

Purpose.....

5. FOR OFFICIAL USE ONLY

RECOMMENDATIONS FROM THE BOARD OF THE FUND

(Tick) Approved..... Declined..... Deferred

Reasons for recommending approval/decline/pending

.....
.....
.....
.....
.....
.....

We have validated and technically assessed the proposal. We recommend as follows:

Approved Amount (KES)..... (Figures)

(Amount in words).....

Repayment period.....Months

Signed by Administrator of the Fund**Date**.....

Witnessed by Chairperson of the Board**Date**.....

Third Schedule – Fees**r(29) (4)**

No .	Service	Fees in KES
1.	Application to participate in the credit guarantee scheme	100,000
2.	Application by a public entity for Funds for on-lending to beneficiaries	50,000
3.	Processing of application for a credit guarantee scheme	300,000
4.	Processing of application by a public entity for Funds for on-lending to beneficiaries	200,000