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3rd June, 2013

GAFSP Coordination Unit

MSN MC5-510,
The World Bank Group, 3301 Pennsy Drive,
Landover, MD 20785 USA.

Dear

RE: SUBMISSION OF KENYA GAFSP PROPOSAL

Kenya Vision 2030 is the main policy document that guides the political, social and economic development of Kenya for the period 2008-2030.

Kenya is determined to ensure food security for her people. Towards this end the Government has continuously increased resource allocation to the agricultural sector including Research and Development.

Vision 2030 identifies the agricultural sector as one of the key drivers of economic growth. Kenya's Agricultural Sector Development Strategy (ASDS) 2010 – 2030 is the vehicle for implementing the agricultural sector objectives towards achieving the goals of Vision 2030. Kenya is a signatory to the Declaration of the African Union, which is the core of the Comprehensive Africa Agricultural Development Programme (CAADP) framework. By signing

the CAADP compact, Kenya commits to the Vision and principles of CAADP, which will be implemented through the ASDS.

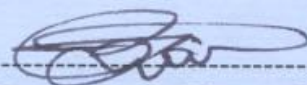
The Kenya CAADP Compact was signed on 24th July, 2010. At the same time, the Agricultural Sector Development Strategy 2010-2020 (ASDS) was officially launched. Since then the Government has developed the ASDS Medium – Term Investment plan 2010 – 2017 (MTIP) that elaborates the plans and financing requirements for implementation. The Government has also finalized the proposal to the Global Agriculture and Food Security Programme (GAFSP), that addresses the financing gap identified.

We hereby forward the proposal for consideration during the third call for proposals, under the GAFSP public sector window. As per the submission guidelines, the following documents are also enclosed;

1. Endorsement letter from the in-country Sector Working Group
2. Letter of readiness from preferred Supervising Entity
3. GAFSP proposal (part 1 and 2)
4. Agriculture and Food Security Strategy
5. CAADP Post-Compact Agricultural Sector Investment Plan
6. CAADP Post-Compact Technical Review Report of the Investment Plan
7. Signed CAADP Compact
8. Communique or resolution from the CAADP Business Meeting

Yours

On behalf of the Government of the Republic of Kenya



Romano M. Kiome, (PhD, CBS)
Permanent Secretary
Ministry of Agriculture/
CHAIRMAN ASDS ICC



Joseph Kinyua, (CBS)
Permanent Secretary
MINISTRY OF FINANCE

To the GAFSP steering committee

I write on behalf of the Donor Group on Agriculture and Rural Development in Kenya in support of Kenya's submission to the GAFSP. Whilst this submission has been hurried, which has meant that the concept has not been formally presented to the full donor group, the group has been kept abreast of the process. In addition I have looked through the concept and can confirm that, rather than conflicting with or duplicating ongoing interventions, it will add a significant boost to an area which is currently underfunded. Further the proposed project will develop important synergies with a planned EU project focusing on input provision, building on its results and enabling much greater impact.

The concept has been developed at a time of significant change in the Kenyan agricultural sector. The proposal seems to come from a genuine background to push forward and develop programmes to promote poverty reduction. This reflects the importance of the poverty reduction and food security agenda in Kenya and indeed highlights the importance of the GAFSP funding, which will support coordination within the new devolved system.

The chair of the ARD Development Partners' Group



Dr. Andrea Bahm

German Development Cooperation

AFRICAN DEVELOPMENT BANK GROUP



REGIONAL DIRECTOR
EAST AFRICA RESOURCE CENTRE

Ref: AfDB/EARC/LTR/2013/xx
Date: 03/06/2013

GAFSP Steering Committee

The World Bank Group

Washington, D.C.

info@gafspfund.org

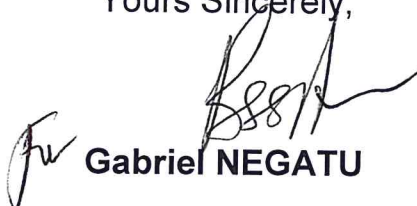
SUBJECT: Support for the Kenya GAFSP Proposal

The African Development Bank (AfDB) Group welcomes its selection by the Government of Kenya to be the Supervising Entity for the GAFSP proposal and has worked with the Government in developing the proposal.

The Bank's ongoing agriculture portfolio in Kenya consists of five projects with a value of USD 142 million. The project interventions range from irrigation, horticulture development, livestock development, various rural infrastructure and natural resource management. The ongoing projects would therefore effectively complement the GAFSP proposal activities.

The Bank is therefore prepared to work with the Government in implementing the GAFSP proposal and looks forward to the continued collaboration on this important initiative.

Yours Sincerely,


Gabriel NEGATU

cc. Principal Secretary, Ministry of Agriculture, Livestock and Fisheries



OFFICE OF THE FAO REPRESENTATIVE IN KENYA

3rd June 2013

To the GAFSP Steering Committee

Ref: Willingness to act as a technical supervising entity for the Government of Kenya's proposal to the Global Agriculture Food Security Programme:

This letter is to confirm that FAO has had a number of discussions with both the Government of Kenya and the African Development Bank on the development of the GAFSP proposal. Further, FAO has contributed to the development of the proposal through discussion and technical review.

As the proposal is closely aligned to Kenya's Agricultural Sector Development Strategy and has a strong focus on poverty reduction, it fits well within FAO Kenya's Country Programme Framework. If funded the programme will support the achievement of FAO's goal in Kenya, which is to contribute to improved food security and nutrition.

The proposed project will target four semi arid counties in which FAO has conducted a number of pilot programmes and which will be targeted (all be it with limited funds) through the EU funded Kenya Cereal Enhancement Initiative (KCEI). As FAO will play a supporting role to the KCEI through improving capacities for conservation agriculture, our role as technical supervising entity on the GAFSP project will ensure that both programmes complement each other. This will for example ensure that the GAFSP programme is able to benefit from the input provision under the KCEI and the KCEI is able to benefit from the irrigation and business orientation work under the GAFSP.

It is our considered opinion that the GAFSP proposal takes advantage of a significant opportunity to leverage existing work to enhance both the effectiveness and the impact of food security programmes in Kenya.

To this end, we were privileged to be asked and are happy to accept to play the role of technical supervising entity.

Yours Sincerely

Robert Allport
FAO Representative *a.i.*



CC

Permanent Secretary Ministry of Agriculture, Livestock and Fisheries



GOVERNMENT OF KENYA

**Proposal from the Government of the Republic Kenya
To the Global Agriculture and Food Security Program (GAFSP)
for the
Agricultural Productivity and Value Chain Development Project**

May, 2013

Acronyms

AfDB	African Development Bank
ASAL	Arid and Semi Arid Lands
ASCU	Agricultural Sector Coordination Unit
ASDS	Agricultural Sector Development Strategy
ATCs	Agricultural Training Centres
CAADP	Comprehensive African Agriculture Development Program
CBOs	Community Based Organizations
CIGs	Common Interest Groups
COMESA	Common Market for East and Southern Africa
EAC	East African Community
FAO	Food and Agriculture Organization
FNSP	Food and Nutrition Security Policy
GAFSF	Global Food Security Program
GDP	Gross Domestic Product
GoK	Government of Kenya
ICC	Inter-Ministerial Coordinating Committee
KARI	Kenya Agricultural Research Institute
KEBS	Kenya Bureau of Standards
KENFAP	Kenya National Federation of Agricultural Producers
KEPHIS	Kenya Plant Health Inspectorate Service
KEPSA	Kenya Private Sector Alliance
KES	Kenya Shillings
KLBO	Kenya Livestock Breeders Organization
KMC	Kenya Meat Commission
MOLD	Ministry of Livestock Development and Fisheries
MDGs	Millennium Development Goals
NLP	National Livestock Policy
NARSP	National Agricultural Research System Policy
NASEP	National Agricultural Sector Extension Policy
NEMA	National Environmental Management Authority
NEPAD	New partnership for Africa's Development

NGOs	Non-Governmental Organizations
NSC	National Steering Committee
NSF	National Stakeholder Forum
SEAG	Small East African Goat
SWAp	Sector-Wide Approach
TC	Technical Committee
TWG	Thematic Working Groups

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Acknowledgement

This Proposal draws heavily from many government documents prepared across sub-sectors. It is, however mainly based on the Vision 2030, Agricultural Sector Development Strategy (ASDS) 2010-2020 and the Medium Term Investment Plan (MTIP 2010-2015 and 2013-2017). It references many policy documents among which are Food and Nutrition Security Policy (FNSP), National Agricultural Research System Policy (NARSP), National Agricultural Sector Extension Policy (NASEP), National Livestock Policy (NLP), Poultry Policy and the Agribusiness Strategy. It has benefited from all the Agriculture Sector Ministries and the Agricultural Sector Coordination Unit (ASCU) Secretariat together its various organs including Inter-Ministerial Coordinating Committee (ICC), Technical Committee (TC) and the Thematic Working Groups (TWGs). The Agriculture and Rural Development Donor Group and the Private Sector through its representations from KEPSA, KENFAP and others have also contributed immensely.

Executive Summary

The varied and inconsistent performance of the agriculture sector has often prompted initiatives to either stimulate or arrest declining performance. The fairly successful end of the Economic Recovery for Wealth and Employment Creation 2003-2007 (ERS) and subsequent roll-over of the Strategy for Revitalizing Agriculture 2004 -2014 (SRA) after a period of dismal performance showed a major need to demonstrate stronger commitments to the agriculture sector to sustain or accelerate the development momentum.

Accordingly, the government has initiated several new strategies and policies to realize intended gains. This resulted in the Vision 2030 and the Agriculture Sector Development Strategy (ASDS) developing into the Medium Term Investment Plan (MTIP) as a vehicle for realizing the desired gains for the agriculture sector and the large proportion of the population engaged in it especially in the rural areas. The government's increasing concern with containing alarming poverty levels and rampant food insecurity has been reinforced by the continental initiative under the New Partnership for Africa's Development (NEPAD) and the Comprehensive African Agriculture Development Programme (CAADP) and the global level Millennium Development Goals (MDGs). While increasing resources have been devoted to the development of the agriculture sector in accordance with the Maputo Declaration of 2003 requiring member states to commit upwards of 10% of national budgets to agriculture, there exist major gaps in financing that cannot be filled by the development partners and the private sector alone.

This proposal to the Global Agriculture and Food Security Programme (GAFSP) is one of the government's measures to attract funding from less conventional sources.

This proposal therefore outlines activities that are required to be implemented in the first half of the ASDS and within the period of the MTIP implementation that is intended to not only modernize agriculture in Kenya but also offer improved household welfare and increased income levels.

The overall objective that will guide this project toward Kenya's agricultural growth and development is *“Increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises.”* Focus will therefore be to intervene in project sites and commodities that will experience immediate and large gains that can be transmitted throughout the country. The project will be implemented in four arid and semi-arid (ASA) contiguous counties, namely Machakos, Kitui, Makueni, and Tana River. These counties constantly suffer food deficits as a result of low and unreliable rainfall, use of inappropriate agricultural inputs, limited knowledge on modern agricultural practices and poor market linkages. These counties also receive comparatively lower amounts of donor funding compared to other ASAL counties.

There are three major components proposed that will address the identified challenges. These components are embedded in both the ASDS and MTIP. These components are (1) Increase the agricultural productivity of traditional high value crops and small livestock produced by poor and marginalized communities in the target counties of Kitui, Machakos, Makueni and

Tana River (2) Increase market access and trade for traditional high value crops and small stock produced by poor and marginalized communities and (3) Improve sector-wide implementation and coordination mechanisms.

Not only do these project interventions address the challenges, they also broadly cover the value chains of the crops and livestock selected for this project.

The four crop commodities and two small stock will be used as intervention entry points. The crop commodities (sorghum, cassava, pigeon pea, green gram) were identified based on their tolerance to drought and their potential to be developed into value chains that can contribute greatly to food security, poverty alleviation and income generation among value chain actors. These commodities are also underfunded yet they are widely grown in these counties. Indigenous poultry and goats were selected because of the large untapped market available within the country and the increasing interest emanating from health concerns. They require limited inputs and bring quick returns to small-scale farmers. They are also easily incorporated into mixed-farming practices common among Kenya's small-scale farmers.

It is anticipated that the implementation of the project will lead to increased on-farm yields, enhanced nutritional security, establishment of irrigation systems, increased forest cover, lower post-harvest losses, increased marketable produce, improved market linkages, increased access to credit, increased incomes along the value chain, enhanced capacity for value chain actors, increased involvement of the private sector in agriculture, and enhanced coordination capacity of the national and county governments among others.

The project cost is estimated at United States Dollars 45 million and will be implemented over five years. This is the amount of funding requested from GAFSP.

PART 1: SUMMARY OF OVERALL AGRICULTURE AND FOOD SECURITY AND ASSOCIATED INVESTMENT PLAN

1.1 OBJECTIVES, INDICATORS, AND PAST PERFORMANCE

1.1.1 Review of Agriculture Sector Performance

The agriculture sector remains critical to Kenya's national economy and will remain so in the foreseeable future. While the national economy has shown significant resilience to an unprecedented range of pressures generated by global climate change, the global financial and economic crisis, high food and fuel prices and internal challenges by registering growth rates ranging between 3 and 7 percent since 2005, it is still closely influenced by the performance of the domestic agricultural sector. According to the Agriculture Sector Development Strategy (ASDS) the agriculture sector contributes on average 24% of gross Domestic Product (GDP) directly, and another 27% indirectly. The sector also accounts for 65% of Kenya's total exports and provides more than 18% of formal employment. Similarly, more than 60% of informal employment is in the rural areas where 70% of the population resides¹ and agriculture is the predominant occupation.

The agriculture sector has registered a chequered performance over the recent past as shown by the widely varying growth rates (2% growth in 2002, 6.7% in 2007, -2.0% in 2008, 6.4% in 2010 and 1.5% in 2011 as reported in various Economic Reviews of Agriculture). The varying growth rates can be attributed to unfavourable weather in some regions, high cost of agricultural inputs, fuel crisis, post election violence, weak currency and high inflation rate. The significant role of the agriculture sector to the national economy and this chequered performance have combined to foster increased and sustained interest in reforms and transformative initiatives and consequently the development of an array of strategies, policies and programs.

1.1.2 Evolution of the Agriculture Sector and Related Over-arching Strategies

Vision 2030 is the current main over-arching national development strategy whose vision is *“A globally competitive and prosperous Kenya”*. It became effective in 2008 at the end of the Economic Recovery Strategy for Wealth and Employment Creation 2003-2007 (ERS) and continues to emphasize the critical role of the agriculture sector in catalyzing development. Vision 2030 aims to transform Kenya into *“a newly industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment”*. It is based on three key pillars vis: (i) The *economic pillar* that aims to achieve an economic growth rate of 10 % per annum and sustain the same till 2030 in order to generate more resources to address the Millennium Development Goals (MDGs); (ii) The *social pillar* that seeks to create just, cohesive and equitable social development in a clean and secure environment; and (iii) The *political pillar* that aims to realise an issue-based, people-centred, result-oriented and accountable democratic system.

Vision 2030 aims at transforming smallholder agriculture from subsistence into a modern, commercially oriented and competitive sector by addressing key challenges including low productivity, constrained land use, inefficient markets and limited value addition.

¹ Kenya County fact sheets by the commission for revenue for revenue allocation (www.crakenya.org). **Note:** actual figures vary depending on definition of what is a rural area

The on-set of Vision 2030 combined with the increasing stature of the global MDGs and the Comprehensive African Agriculture Development Program (CAADP), made it acutely necessary to revise the Strategy for Revitalizing Agriculture 2004-2014 (SRA) and develop the Agriculture Sector Development Strategy 2010-2020 (ASDS). Vision 2030 proposed to address the agriculture sector challenges through increasing productivity, increasing market access, developing Arid and Semi-arid lands (ASALs), transforming land use and reforming institutions via Medium Term Plans (MTPs) and flag ship projects. It was however realized that Vision 2030 flagship projects will not deliver the desired results for the entire agriculture sector and that a continuation of the Sector-Wide Approach (SWAp) was critical to sustain the already established momentum.

The foregoing formed the background to the development of the ASDS and the corresponding Medium Term Investment Plan (MTIP 2010-2015) for the agriculture sector as the major frameworks for the agricultural sector in pursuing Vision 2030. This background informed the alignment of the ASDS and MTIP with the CAADP requirements resulting in the ASDS being launched simultaneously with the signing of the Kenya CAADP Compact in 200x. While the period of implementation of SRA saw several achievements including the reduction of food insecurity by over 12 per cent and poverty by over 10 per cent from 2003 to 2007, these gains were reversed in 2008 by post-election violence, global food price crises, escalating fuel prices, and the global financial crisis.

As a revision of SRA, the ASDS has accordingly incorporated not only the successes but also the lessons learned from the SRA to provide the framework for stimulating, guiding and directing progressive agricultural growth and development and maintain the same optimism.

1.1.3 Objectives of ASDS/MTIP and associated monitorable targets

The ASDS's Vision, *“A food-secure and prosperous nation”*, and Mission, *“An innovative, commercially oriented and modern agriculture”*, lays the foundation for the MTIP which forms the implementation framework. The key target of the ASDS is to sustain a 7% agriculture sector annual growth rate. It is deemed that this level of growth for the agriculture sector will yield the momentum to address poverty and food insecurity and contribute to the development of a modern, competitive sector that will ultimately result in an overall annual GDP growth rate of 10% as proposed by Vision 2030 within the life of the ASDS.

The ASDS focuses on five strategic objectives: (i) Increasing productivity and promoting commercialization and competitiveness of all crops, livestock, marine and fisheries, and forestry; (ii) Promoting private sector participation in all aspects of agricultural development; (iii) Developing and managing the national water resources, land resources, forestry, and wildlife in a sustainable manner; (iv) Reforming agricultural service, credit, research, regulatory, processing and manufacturing institutions for efficiency and effectiveness; and (v) Increasing market access and trade through development of cooperatives and agribusiness.

1.2 KEY ELEMENTS OF THE POLICY ENVIRONMENT

The Policy Environment and Supporting Policies in Relation to ASDS/MTIP Objectives

The implementation of the SRA was partly impeded by the absence of a corresponding investment plan, supportive policy environment and appropriate legislations. This made programme funding commitments sparse. With the emphasis on new and reviewed policies, it

was also evident that the policy environment and legislative frameworks were no longer consistent and in certain cases just outdated. Accordingly, the ASDS set out to correct these anomalies by developing the MTIP 2010-2015 that was intended to make clear and supportive investment provisions. At the same time, the MTIP 2010-2015 provided for the continuation and acceleration of the policy, legislative and institutional reforms initiated during SRA in an effort to harmonize the various initiatives.

With the development of MTIP 2010-2015, there was a definite need to align the policy environment with the MTIP objectives. For instance, it was imperative to fast-track the completion of the Food and Nutrition Security Policy (FNSP) in 2012 to offer a framework within which the poverty and food insecurity objectives were to be pursued. The critical nature of research and extension also necessitated the completion of the National Agricultural Sector Extension Policy (NASEP) in 2012 and the Agricultural Research System Policy (NARSP) in 2012 with an emphasis on efficiency and opening up service delivery to multiple players especially the private sector. The livestock sector also oversaw the completion of the National Livestock Policy (NLP) in 2008 and the Poultry Policy in 2012 among others. The development of the Agribusiness strategy is a major effort toward increasing the involvement of the private sector in the implementation of the MTIP. To be consistent with the rapidly changing policy environment, many acts of legislation in the sector were reviewed or developed. The most prominent among these were the Agriculture, Food and Fisheries Authority (AFFA) Act of 2013 that consolidates regulatory agencies and the Crops Act of 2013. These efforts, spearheaded by the Agriculture Sector Coordination Unit (ASCU), are replicated throughout the entire agriculture sector including fisheries, water and irrigation and co-operatives.

1.3 MTIP COMPONENTS TO ACHIEVE THE OBJECTIVES

1.3.1 MTIP Components and basis

The ASDS identifies the major constraints to the growth of the agricultural sector and uses these as a basis for the development of the MTIP. These constraints include inadequate budgetary allocations; reduced effectiveness of extension and research services; low absorption of modern technology especially among smallholder farmers, fisher-folk and pastoralists; limited investment capital and poor access to affordable credit; low and declining soil fertility; multiple taxes for farm inputs and produce; high and frequent adulteration of key inputs; inappropriate legal and regulatory framework; poor infrastructure and inadequate storage, marketing and processing infrastructure among others.

The main goal of the MTIP is to operationalize the ASDS and it therefore derives its interventions by translating the ASDS strategic objectives into five investment pillars and includes a sixth one that provides for strengthening the coordination mechanism. Consequently, the MTIP is built around six pillars ie: (i) Increasing productivity, commercialization and competitiveness; (ii) Promoting private sector investment and participation in all aspects of agricultural development including research; (iii) Promoting sustainable land and natural resources management; (iv) Reforming and improving delivery of agricultural services and research; (v) Increasing market access and trade; and (vi) Ensuring effective coordination and implementation.

The MTIP targets a reduction in the poverty rate to under 25% of the population living below the poverty line and a reduction in the percentage of the population that is food insecure of 30% 2020. It is these targets that inform the present proposal.

1.3.2 MTIP and the links to CAADP Compact

The MTIP is fully aligned with the CAADP Compact. This alignment is confirmed by the MTIP targets that embed CAADP targets ranging from increasing budget allocation to the agriculture sector to 10%, annual agriculture sector growth rate of 7%, poverty reduction to below 25%, reduction of food insecurity by more than 30% among others. Secondly, MTIP investment pillars are closely related to the CAADP pillars. This is shown in table 1.

Table 1: Links between MTIP and CAADP Pillars

MTIP Investment Pillar	CAADP Pillar
1. Increasing productivity, commercialization and competitiveness	Pillar III: Increasing food supply and reducing hunger across the region by increasing small holder productivity and improving the response to food emergencies
2. Promoting private sector investment and participation	Pillars II and III
3. Promoting sustainable land and natural resources management	Pillar I: Extend the area under sustainable land management and reliable water control systems
4. Reforming and improving delivery of agricultural services and research	Pillar IV: Improving agricultural research and systems to disseminate appropriate new technologies as well as increasing the support to help farmers adopt them
5. Increasing market access and trade	Pillar II: Improving market access through improved rural infrastructure and trade-related interventions
6. Ensuring effective coordination and implementation	Cross-cutting (Applies to all the all the Pillars)

1.3.3 Measures in response to CAADP Post-Compact Technical Review

The CAADP Post-Compact Review was conducted in September 2010 and highlighted several concerns that were brought to the attention of the government. These concerns included adequacy of resource outlays for MTIP 2010-2015, absorptive capacity of implementing agencies, internal consistency, gender perspectives, prioritization processes, private sector participation and capacity development. This resulted in the development of the Post Compact MTIP road map of the ASDS 2010-2020. Besides assurances on a firm commitment to the continued funding and implementation of the MTIP 2010-2015, the government has since undertaken measures to address these concerns through various means of which the single most important action is the current revision exercise to develop MTIP 2013 ó 2017. The development of the MTIP 2013-2017 has been made necessary by several new developments including the new national constitution, the coming into effect of County governments, the trimming down of the number of ministries and the election of a new government.

The use of the SWAp and the inclusion of various stakeholders in the formulation and implementation of MTIP ensures that each concerned entity has clearly outlined responsibilities.

However, other challenges have arisen due to the new Constitutional dispensation and the associated costs that may constrain the rapid growth in sector expenditure necessary to sustain MTIP's implementation at planned levels and requires innovative fundraising.

1.4 PLAN COMPOSITION AND EXPENDITURE LEVELS

1.4.1 Indicative Costs of the MTIP Components

The distribution of the financial requirements according to the MTIP 2013-2017 pillars is shown in table 2, below. Of the total projected amount of KES. 460.26 Billion (USD 5.4 billion), MTIP pillar 1, on increasing productivity takes the largest proportion at 51.19%.

Table 2: Projected MTIP 2013-2017 Components' Costs (KESs billion)

Pillar	2013	2014	2015	2016	2017	Total	Share %
1. Productivity and Commercialization	39.66	45.80	50.14	49.98	50.02	235.60	51.19%
2. Promotion of private sector participation	7.03	7.28	7.49	7.39	7.51	36.71	7.98%
3. Sustainable land and natural resource management	15.93	16.74	17.42	18.05	18.68	86.84	18.87%
4.Improving agricultural services	6.7	5.9	4.9	4.2	4.2	25.92	5.63%
5. Improvement in market access, competitiveness and trade	13.75	13.75	14.02	14.11	14.21	69.84	15.17%
6. Coordination and implementation	0.41	3.95	0.45	0.27	0.27	5.36	1.16%
Total	83.47	93.44	94.44	93.98	94.92	460.26	100.00%

1 USD = 85 KES (June 2013)

1.4.2 Comparative analysis of Expenditure in relation to national and CAADP targets

In the years 2008/09 to 2012, the GoK allocated an average of KES 99.6 billion to the agricultural sector comprising KES 33.3 billion for the core sector ministries and KES 66.7 billion for other sector ministries. Recurrent expenditure for sector ministries² averaged KES 33.8 billion (33%) while development expenditure stood at KES 65.7 billion. The level of funding to the sector as a proportion of total GoK budget has risen steadily as shown in table 3 from 8.7% in 2008/09 to 9.9% in 2012/13. The rise in funding to the sector is attributed to rapid increases in the funding for water and irrigation beginning 2010/11. The overall funding for the sector has been sustained at approximately 10% as recommended under the Maputo Declaration.

Table 3: Trends in GoK Budgetary Allocation 2008/09 – 2012/13 (KES million)

	2008/9	2009/10	2010/11	2011/12	2012/13	Annual Average
Core Ministries KES M	21,047	27,448	34,780	39,507	42,947	33,284
Other Sector Ministries KES M	39,300	53,992	69,399	73,774	96,017	66,672
Total Sector KES M	60,346	81,440	104,179	113,281	138,963	99,642

² As of March 2013, there were 4 core sector ministries and 6 other sector ministries that constituted the agriculture sector. The boundaries of the agriculture sector in Kenya is defined by 10 Ministries which all contribute to the agriculture sector.

Total GoK Budget KES M	694,165	789,361	922,564	1,165,532	1,459,900	1,006,304
Core Sector/GoK (%)	3.0	3.5	3.8	3.4	2.9	3.3
Other Sector/GoK (%)	5.7	6.8	7.5	6.3	6.6	6.6
Total sector/GoK (%)	8.7	10.3	11.3	9.7	9.5	9.9

Source: Sector Reports³, Projections

1.5 FINANCING SOURCES AND GAPS

1.5.1 MTIP Provisions in Relation to the Plan Components

The formulation of the MTIP 2013-17 budgets entailed a process of identifying and analyzing the main agriculture-related constraints on growth and food security. These constraints were further sieved to produce the necessary intervention strategies. Assumptions and obstacles to implementing these strategies were identified and the investments needed to operationalize the strategies computed and prioritized from the ministerial strategic plans and then consolidated and clustered according to the six MTIP investment pillars. This analysis then informed the proposals budgetary process and the allocations.

1.5.2 Financing Source and Gap

As shown in table 4, the GoK is expected to contribute KES 205.45 billion or 44.64 percent of the total MTIP 2013-2017 budget. On the basis of the programmes and projects identified during the MTIP Alignment Study in 2011, Development Partners are assumed to provide at least the same level of support as previous years (amounting to KES 104.3 billion or 22.66 percent). With more aggressive and focused fund raising particularly for infrastructure and capacity building under the devolved government, the GoK may be able to increase the level of donor support. However, even after considering direct financing to parastatals and NGOs at KES 3.90 billion, private sector at KES. 11.10 billion, this would still leave a gap of KES 48.96 billion to be financed from other sources yet to be identified. This proposal therefore seeks funds toward this identified gap.

Table 4: *MTIP Financing and Gap*

Sources of Funding	Total KES Bn	Share %
Total MTIP Cost (2013-2017)	460.25	100.00
GoK Contribution	205.45	44.64
Development Partners	104.30	22.66
Non-aligned Projects	86.54	18.80
Parastatals	1.40	0.30
NGOs	2.50	0.54
Private sector	11.10	2.41
Financing Gap	48.96	10.64

³ Medium term expenditure reviews (reports from 2009 to 2012); Economic review of Agriculture (reports for 2009 to 2012)

1.6 THE ASDS AND MTIP DEVELOPMENT PROCESS

1.6.1 Functional Structure of ASCU and the continuous involvement of Stakeholders

The MTIP 2013-2017 is based on ASDS 2010-20 which was formulated after an extensive, highly transparent and participatory national consultation process on the future of the sector. Coordinated by ASCU (see section 1.7b), the formulation involved in-depth consultation with all sector ministries, development partners, the private sector, farmers organizations and civil society. The revision of the MTIP 2010-2015 was needed for two reasons: first, to take into account new issues with potential impacts on implementation the new National Constitution and the lessons learned since its formulation in 2010; secondly, to synchronize the term and proposed sector investments of MTIP with the term and priority investments of Vision 2030.

Stakeholders are continuously involved in MTIP through the National Stakeholder Forum (NSF), National Steering Committee (NSC) and the Thematic Working Groups (TWGs) which are multidisciplinary and multi-sectoral think tanks established to address priority areas in the ASDS that are Chaired by Private sector representatives, Kenya Private Sector Alliance (KEPSA). These institutions represent a wide range of agricultural stakeholders in Kenya from small holder producers to large scale commercial companies.

Farmer organizations were deeply involved in the ASDS and MTIP formulation, deliberations, decision-making and even implementation through the Kenya National Federation of Agricultural Producers (KENFAP) which is the umbrella farmers' organization, the Co-operative Alliance of Kenya (CAK) that brings together all co-operatives and the Kenya Livestock Marketing Council that represent livestock producer interests. These are ably represented in all the ASCU organs.

1.7 INSTITUTIONAL ARRANGEMENTS AND CAPACITY TO IMPLEMENT

1.7.1 Overall Implementation Framework

The implementation of MTIP 2013-2017 will involve three levels: The national level, sector level and county/local levels. The complete implementation structure and arrangements are shown in Annex 1.

(a) National level: At the national level, Vision 2030 provides overall guidance to the implementation of the ASDS and the MTIP. Allocation of public sector resources towards the sector will be determined by the National Treasury in consultation with line ministries within each national sector. In accordance with the Joint Kenya Assistance Strategy (JKAS), support from development partners towards sectoral strategies and plans, including for the agriculture sector, will be governed by agreements made in the annual Development Partnership Forum.

(b) Sector level: Sector institutions at the national level will perform a range of functions in relation to the coordination and implementation of the MTIP as follows:

Sector policy development and coordination:

The biennial Agriculture Sector National Forum is organized by the sector ministries and ASCU to provide a platform for a wide range of sector stakeholders to review progress in the implementation of the ASDS and the MTIP, and to provide overall direction for the future. It is expected that the Governors from all the 47 counties will attend these forums. The Inter-ministerial Coordination Committee which comprises the principal secretaries of the sector ministries undertakes the sector level steering function for implementation of the MTIP while the Technical Committee (TC), which consists of directors of sector ministries and development partner representatives provides technical and institutional direction. The

Thematic Working Groups (TWGs), in their capacity as thematic think tanks provides continuous advisory inputs. Currently, there are 7 TWGs but their number and composition will be reviewed during the implementation of MTIP . The Agriculture Sector Coordination Unit (ASCU) convenes and provides secretariat support to the ASDS coordinating entities as they perform their respective functions. ASCU will also spearhead resource mobilization to support identified priority investment areas. The development of the planned sector monitoring and evaluation framework will greatly facilitate measurement of the achievement of ASDS objectives and associated outcomes under the MTIP Result Framework. Individual Sector Ministries will be responsible for policy development and planning within their respective sub-sectoral areas. Such sub-sectoral policies and plans would refer to and support the implementation of the ASDSP and the MTIP. However, Sector ministries would still be responsible for the implementation of large scale national MTIP activities that are not being transferred to the county governments.

(c) County level: Sector coordination at the county level will be supported by the County Coordination Units (CCUs) recently established by ASCU with support from the Agricultural Sector Development Support Programme (ASDSP). These decentralized national entities will support local coordination of sector interventions and alignment with national level sector policies and plans. County Steering Committees comprising directors from county sector departments and other local stakeholders will provide direction for the CCUs. At this level, the implementation of the MTIP will mainly be the responsibility of the County governments. The Constitution empowers the county governments to design structures that suit them for effective and efficient delivery of services to the citizens.

PART 2: SPECIFIC PROPOSAL FOR GAFSP FINANCING

2.1 SPECIFIC OBJECTIVES AND EXPECTED RESULTS

2.1.1 Specific Objectives

The overall goal of Kenya's agricultural sector as defined by the ASDS is *“an innovative, commercially oriented and modern agricultural sector.”* In order to contribute to this goal the development objective on which the overall development and growth of Kenya's agricultural sector is anchored in the ASDS/MTIP is: *“Increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises.”* To contribute to this overall objective, the MTIP 2013-2017 has identified the following key objectives:

1. Increasing productivity and promoting commercialization and competitiveness of all crops, livestock, marine and fisheries, and forestry;
2. Promoting private sector participation in all aspects of agricultural development;
3. Developing and managing the national water resources, land resources, forestry, and wildlife in a sustainable manner;
4. Reforming agricultural services, credit, research, regulatory, processing and manufacturing institutions for efficiency and effectiveness;
5. Increasing market access and trade through development of cooperatives and agribusiness.
6. Ensuring effective coordination and implementation

This project has defined three key outputs that relate to the above, but are adjusted to fit within the context of the target areas and the poor and marginalized target groups:

1. Increase the agricultural productivity of traditional high value crops and small livestock produced by poor and marginalized communities in the target counties of Kitui, Machakos, Makueni and Tana River
2. Increase market access and trade for traditional high value crops and small stock produced by poor and marginalized communities
3. Improve sector-wide implementation and coordination mechanisms

The matrix in table 5 illustrates the linkages between project objectives, MTIP strategic focus, CAADP Pillars and GAFSP components.

Table 5: Relationship among Plan Components, MTIP Pillars, CAADP Pillars and GAFSP Components

Project Objective	MTIP Objective/Investment Intervention	CAADP Pillar	GAFSP Component
1. Increase the agricultural productivity of traditional high value crops and small livestock in targeted arid and semi arid lands	1. Increasing productivity and promoting commercialization and competitiveness of all crops, livestock, marine and fisheries, and	CAADP Pillar 1: Land and water management CAADP Pillar 3: Increasing food supply and reducing hunger	Raising agricultural productivity and reducing risk and vulnerability

(ASALs)	forestry		
2. Increase market access and trade for traditional high value	2. Increasing market access and trade through development of cooperatives and agribusiness.	CAADP Pillar 2: Rural infrastructure and trade-related capacities for improved market access	Linking farmers to markets
3. Capacity Building and Coordination	3. Ensuring effective coordination and implementation		

2.1.2 Expected Results and Indicators

The first objective of increasing productivity is composed of three key outcomes, namely improving food security, improving nutritional security and increasing household incomes. These three outcomes will in turn, be addressed when the four results, or outputs, namely increased on-farm yields, enhanced nutritional security, increased use of farm inputs, and improved water resources management are realized. The second objective of increased access to markets and trade will be achieved through three results: increased post-harvest processing and value addition, communities that are empowered to conduct profitable businesses and access to trade in food commodities being facilitated. Finally, capacity building and coordination will be a result of improved coordination of agricultural initiatives and development of the final MTIP.

Table 6 below presents results that are expected from the achievement of the project objectives. Verifiable indicators that will be used to track the progress of the project are also presented. Finally, the table also provides information on the project beneficiaries.

Table 6: Expected Results, Indicators, and Beneficiaries

Intervention Logic	Monitoring Indicator	Beneficiaries
Goal: <i>An innovative, commercially oriented and modern agricultural sector</i>		
Development Objective: <i>Increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises</i>		
Project Objective 1: Increase the agricultural productivity of traditional high value crops and small livestock produced by poor and marginalized communities in the target counties of Kitui, Machakos, Makueni and Tana River		
Result 1.1: Increased agricultural productivity	By they year 2018, increase annual production of Sorghum from 4.5 to 7 bags/ha Cassava from 11 to 15 tons/ha Pigeon peas from 6.7 to 8 bags/ha Green grams from 5.2 to 7	Farmers: Men ó 20,920 Women ó 31,290

	bags/ha	
Result 1.2: Enhanced nutritional security	Decrease in proportion of targeted children under five years at risk of malnutrition to below 15% (measured through MUAC measurements) Decrease in the proportion of the target population that are under nourished from 30% ⁴ to 20% by 2018	Men ó 250,000 Women ó 500,000 Children ó 250,000
Result 1.3: Increased use of farm inputs	Increase number of farm households using fertilizers by 30% by 2018 Increase number of farm households using improved seeds by 30% by 2018	Farmers: Men ó 20,920 Women ó 31,290
Result 1.4: Improved management of water resources	Increase hectares of land managed under irrigation by 500 ha by 2018 Increase in water storage capacity by 3 million m ³ by 2018	Farmers: Men ó 5000 (1250 per county) Women ó 5000 (1250 per county)
Result 1.5: Increased forest cover	Area under forest cover per county increased by 1% by 2018	Men ó 250,000 Women ó 500,000 Children ó 250,000
Project Objective 2: Increase market access and trade in traditional high value crops and small stock (Poultry and goats)		
Result 2.1: Increased post-harvest processing and value addition	Twenty five post-harvest processing businesses established in each county by 2018 Post-harvest losses decreased from an average of 40% in each county to 20% by 2018	Traders ó 1,000 Agro-processors ó 200
Result 2.2: Communities empowered to conduct profitable businesses	200 women-owned agro-business groups established in each county by 2018 500 youth-owned agro-business groups established	Women ó 2,000 Youth ó 5,000

⁴ FAO State of Food Insecurity (2012)

	in each county by 2018 80% of targeted agribusiness groups accessing financial services by 2018	
Result 2.3: Access to trade facilitated	Average distance from farm to nearest produce market decreased to 5km for 50% of the target population by 2018 20% decrease in transportation costs to nearest market by 2018 for 50% of the target population	Traders ó 1,000 Consumers ó 200,000
Project Objective 3: Improve sector-wide institution building, implementation and coordination mechanisms		
Result 3.1: Improved coordination of agricultural initiatives	100% of agricultural sector donor funds are aligned to the MTIP by 2018	ASCU, Ministry of Agriculture Livestock and Fisheries, Development partners, NGOs, CBOs, CSOs
Result 3.2: Third MTIP under the ASDS developed	MTIP III approved by 2017	ASCU, Ministry of Agriculture Livestock and Fisheries, Development partners, NGOs, CBOs, CSOs

2.1.3 Cross-Cutting Issues

Marginalization of women and youth in agricultural activities, especially commercial agricultural activities, is a factor that has been recognized and is being addressed by the Kenyan government. For example, although women constitute 50.7% of the population, men, who make most of the decisions concerning household income, head 70% of the households. As a result, the government has in the past set up structures and formulated policies to mainstream gender and youth issues into agricultural activities. These include the establishment of the Ministry of Gender, Children and Social Development and the Ministry of Youth Affairs and Sports. In addition, the government developed funds such as the Women Enterprise Fund (that seeks to empower women business) and the Youth Enterprise Development Fund (which seeks to empower business managed by youth).

In 2010, the Ministry of Agriculture prepared its gender mainstreaming strategy as a starting point to guide the ministry in various gender mainstreaming activities. According to this strategy, women control almost half the smallholder farms although women hold less than 5% of land title deeds. Women also perform 70% of the production work that includes digging, weeding, and storage. However, men control most of the earnings. Through the development of 200 women and 500 youth lead agribusiness associations this programme will provide a significant boost for the empowerment of youth and women in the target areas.

2.1.4 Geographical Focus

The project will focus on four contiguous counties within the semi arid lands, namely Kitui,

Makueni, Machakos, and Tana River. These counties have been chosen due to a number of factors including:

- Rainfall in the counties is moderate, ranging from a low of 200 mm / year in the most arid areas to 1900 mm / year in the higher potential areas (Annex 2, 3a and 3b). Even in the areas with higher rainfall, production remains low, meaning that this is an area of significant potential for improved production. These areas have in fact been identified as the areas with the greatest potential for agricultural growth and poverty reduction in the MTIP document.
- The population of the counties is significant 3.22 million people, the vast majority of whom live on less than one USD per day. The latest government figures, (2011), show that the poverty rates are 63.5%, 59.6%, 64.1% and 76.9% in Kitui, Machakos, Makueni and Tana River respectively. This is well above the average Kenya poverty rate of 47.2% (www.crakenya.org, Accessed May 30, 2013).

Given this significant population that live under the poverty line and the suppressed agricultural production, the area lends its self well to the GAFSP objectives of improving food security and alleviating poverty as there is significant potential to improve agricultural production through improving the productivity and livelihoods of many small holder farmers.

The location of the project is also based on the observations that (i) synergies are likely to be realized when combining different types of infrastructure investments in the same area thus potentially increasing the impact on development outcomes, and (ii) productivity increases in the semi-arid areas have the highest spillover benefits for the other AEZs (MTIP).

2.2 ACTIVITIES TO BE FINANCED

Activities to be financed will be based on the specific objectives to be addressed. Consequently, the proposal budget will also be activity and results-based.

2.2.1 Crop and Livestock Value Chains

The crop commodities that will be addressed in the proposal are sorghum, cassava, pigeon peas, and green grams. These are commodities that are widely grown in target counties but whose value chains are inefficient. These crops are drought tolerant and, therefore, provide an avenue to mitigate the effects of frequent intense droughts, not only in these counties but also in many parts of Kenya and in the horn of Africa. The livestock that will be promoted through this project are indigenous poultry and goats. These livestock multiply fast, are popular in Kenya's urban areas and offer an effective pathway out of poverty for poor, marginalized producers.

Crop Value Chains

Sorghum is grown by smallholder farmers, mainly for domestic consumption, in these four counties. However, recent sustained demand from Kenya Breweries has provided another market opportunity that farmers have started gaining from. For example, farmers in Makueni County have benefitted from the intervention of Smart Logistics, an organization that supports grain marketing to smallholder farmers at a fee. The four counties under consideration produce 27.9% of Kenya's sorghum. About 86,000 tons of sorghum are eaten by Kenyans annually while 16,000 tons are used as feed on-farm and for production of animal feed by millers. Value addition, for example through branding and packaging the flour will make the product available to a wider market thus increasing opportunities for increasing income.

Cassava is also grown mainly for domestic consumption. It is a hardy crop that grows well with minimal inputs, on nutrient deficient soils and under moisture stress, conditions that are typical of counties under consideration. Fresh roots are boiled, roasted or mashed and eaten as they are or accompanied by sauce or a beverage. They are also chipped and dried to produce chips and crisps. Fresh peels are also fed to livestock. Transportation to distant markets is limited by its bulky nature and ease of spoiling. The Kenya Agricultural Research Institute and the Kenya Industrial Research Development Institute, among others, have developed technologies that could assist smallholder farmers process their cassava into flour and other products. Other products from processing include ethanol. Linkages to industries that process cassava into starch are other market chains that are available for exploitation. This value addition at the rural cottage industry level will increase market opportunities for cassava farmers.

Although *pigeon peas* do not seem to offer much beyond being an affordable source of plant-based proteins at the domestic level, increasing demand from organizations like the World Food Program that provide food aid to the horn of Africa have created a market that is likely to last for long. This is because increasing incidences of intense droughts require mitigation measures like supply of food aid to affected communities. Kitui, Makueni, and Machakos grow 84% of Kenya's pigeon peas thus making this region the focus of any pigeon pea based industry. The prominence of this crop is due to its drought tolerant nature and the fact that fresh vegetable peas are usually ready for harvest at the onset of the dry food deficit season. *Dhal*, which is produced from split peas has a ready market in India and locally.

Green grams have a ready and expanding urban local market. Although value addition is limited to cleaning and sorting to various grades, urban consumers are willing to pay a premium price for high quality green grams. This commodity, therefore, can contribute to additional farmer and trader incomes since the farmers consume minimal amounts of green grams. Farmers need to be equipped with the skill to sort and grade the grains at the farm level to increase the product value. In addition local traders would greatly benefit from polishing, further sorting, grading, branding and packaging knowledge to add value to their product.

Annex 4 presents production for the four commodities in the counties under consideration while Annex 5, 6 and 7 present well developed value chains for the four commodities for the benefit of all actors.

Livestock Value Chains

Indigenous poultry have recently received attention from health enthusiasts due to the perceived higher nutritional gains. Similarly, goats have received attention with respect to religious and other festivals both within and outside the country.

Therefore, the indigenous poultry value chain and the goat meat value chain will be the focus of this proposal. These small livestock are predominant in the semi-arid area where the project will be located and still have under-developed value chains. The production trends for poultry and goats are shown in Annex 8 and 10.

Indigenous Poultry and Goats

The indigenous poultry and goat meat value chains have the potential for development in view of their capacity to provide high off-take, nutritious food and high income. However, these attributes can only be realized through targeted interventions focusing on mitigating

market demands for quality meat, lack of organized producer marketing initiatives such as contracting farming and limited value addition. These value chains and their potential for development are shown in Annex 9 and 11.

2.2.2 GAFSP Component 1: Raising Agricultural Productivity and Reducing Risk and Vulnerability

Project Objective 1: Increase the agricultural productivity of traditional high value crops and small livestock produced by poor and marginalized communities in the target counties of Kitui, Machakos, Makueni and Tana River

Result 1.1: Increasing Agricultural Productivity

The main activities to be funded under this result will, therefore, be (1) Formation of and support to farmer field schools that will serve as learning forums for farmers; (2) Support for certified seed grain multiplication for sorghum, pigeon peas and green grams and certified clean cuttings for cassava at the KARI seed unit located in the KARI National Drylands Research Center, Katumani, Machakos and KARI Regional Research Center, Mtwapa. The certified planting material will contribute towards higher on-farm yields; (3) Establishment of improved varieties demonstration farms at the ATCs, KARI Centers, and farmer fields so that farmers may learn the latest farming technologies close to their farms; (4) Training farmers on good agronomic practices to ensure sustainability beyond the project's life (5) Support for multiplication and distribution of quality goat breeding stock that farmers can use to upgrade their herds for higher meat and milk yields by establishing multiplication centers.

Result 1.2: Enhancing Food and Nutritional Security Although food security is paramount, its effect will be more pronounced when the target communities are also nutritionally secure. Consequently, activities under this result will seek to support farmers and other non-farm rural communities to access a wider diversity of plant and animal-based nutrients. Key activities, that will largely target women, that are planned include (1) Training women groups on basics of nutrition for improved family health; (2) Preparation and promotion of affordable and nutritious diets (food baskets); (3) Promote best mixed-farming practices, livestock/crop combinations, that increase productivity and enterprise profitability; (4) Promote the production of indigenous vegetables and fruits for supply of micronutrients; (5) Establish fully fledged home economics and nutrition units at the county level, ATC and KARI units

Result 1.3: Increased Use of Agricultural Inputs Farmers traditionally used farm-saved seed for the next production cycle. This has resulted in progressively lower productivity and increasing cases of on-farm and post-harvest pest and disease problems. This project aims to facilitate access of appropriate inputs of acceptable quality as and when they need them by linking up with the Kenya Cereal Enhancement Initiative (KCEI), which will be implemented by IFAD. KCEI is aligned with the National Accelerated Agricultural Inputs Access Program (NAAIAP), which is a Kenya Government program that seeks to improve access and affordability of seed and fertilizer for smallholder farmers. Activities for which funding is requested are (1) Extending the concept of NAAIAP to these counties to enable farmers purchase and pay for inputs from urban and rural agro-dealers; (2) Training of value chain actors on appropriate use of agro-chemicals.

Result 1.4: Improved Management of Water Resources Establishment of micro irrigation systems on farmers' fields using harvested rainwater and larger irrigation schemes using permanent streams and rivers, and water from run-off is a key result of this project.

There is potential to use Tana and Athi Rivers in Tana River, Machakos, and Kitui counties for large-scale irrigation. There is also potential to use water from Kibwezi springs and harvested rainwater from Mbooni hills in Makueni for small to medium-scale irrigation. As shown in the table on agro-ecological data, rainfall is scarce and unreliable. Availability of sufficient water for domestic consumption, livestock, and irrigation is a key factor towards achieving food security. Simple and affordable water harvesting technologies will be promoted, and stakeholders will be encouraged to adopt them.

The major activities that will be carried out to achieve this result will be (1) Establishment and management of on-farm micro-irrigation schemes; (2) Establishment of small to medium-scale irrigation schemes; (3) Establishment of management structures for the small to medium-scale irrigation schemes. The project will also focus on (4) Constructing roof run-off catchment structures and cement/PVC water tanks; (5) Construction of water pans and dams; (6) Where farmers can construct ponds on their farms, they will be encouraged to incorporate fish-farming projects for domestic fish consumption; (7) Protection of watersheds by conserving riparian zones; (8) Construction of structures like gabions to reduce soil erosion at the community level; (9) Promotion of on-farm structures like trenches and terraces to reduce erosion effects of heavy rains;

Result 1.5: Increased Forest Cover Increasing forest cover has been shown to not only noticeably affect micro-climates of surrounding areas but also of downstream communities where rivers and streams pass through or terminate. Excess cutting down of trees for firewood and charcoal production has destroyed the ecologies of the target counties. The bare land is, therefore, nowadays greatly eroded through winds and flash floods. In addition many dams have dried up due to increased siltation. Although part of the ecological destruction is due to changing climatic patterns, afforestation and reforestation could contribute greatly to improving rainfall patterns and reducing soil erosion. Issues that will be considered for funding by this project are (1) Support for Kenya Forest Services efforts to establish community tree nurseries to supply seedlings and woodlots to increase forest cover; (2) Promotion of agro-forestry activities on-farm.

2.2.3 GAFSP Component 2: Linking Farmers to Markets

Project Objective 2: Increase market access and trade in traditional high value crops and small stock (poultry and goats)

This objective aims to expand access to key agricultural markets for farmers and food insecure vulnerable groups, leading to expanded domestic, regional and international agricultural trade and income generation, and increased food security. This furthers the ASDS objectives to promote market orientation, encourage growth of agribusiness, and enhance food security and nutrition.

Activities that increase harmonization of trade policy, standards, and regulations within the region will therefore be of high priority. Especially critical will be continued investment in market information systems and market intelligence structures, emphasizing private sector (including cooperatives) participation and ownership. Engagement with agriculture-related units/cooperatives within regional trading blocs (EAC and COMESA) will be strengthened. Measures that increase Kenya's capacity to keep pace with growing demands for certification linked to adherence to trade-related sanitary and phyto-sanitary conditions will be supported.

Result 2.1: Increased Post-harvest Processing and Value Addition ó Post-harvest losses due to pest and disease attacks can be as high as 40% if not higher. Such losses are mainly due to poor handling, poor storage facilities and inappropriate pest and disease control measures. This result will focus on improving the skills of value chain actors, promotion of agro-processing businesses and also facilitating access to improved storage, pest, and disease control measures.

Value addition to primary commodities could raise rural non-farm incomes greatly. Adding value will not only increase its shelf life but will also increase accessibility of the commodity and its derivatives by new consumers, including public food procurement. Additional benefits of value addition are enhanced capacity for supply and demand for high-quality, nutritious, safe, and safe value added food products. Such products improve the stability and predictability of food prices and also marketing policies. Private sector fabricators of simple flourmills and grain processors will be incorporated as part of the project so that budding entrepreneurs can access such technologies easily. Financial institutions will also be encouraged to provide affordable credit to organized entrepreneurs.

To achieve this result, the following activities will be conducted: (1) Control of storage pests and diseases and the (2) Construction of appropriate stores for their grains. Specifically, the project will promote the use of hermetic bags that will be distributed by IFAD and fund construction of metal silos for cereals. Additional activities will focus on (3) Value chain development feasibility studies; (4) Establishment of rural cottage industries for processing of sorghum and cassava into composite fortified flours and animal feeds, pigeon peas to *dhal*, and polishing and grading of green grams; (5) Strengthening enforcement of food marketing grades and standards and food safety standards; and (6) Strengthening management of the strategic grain reserve.

Result 2.2: Communities Empowered to Conduct Profitable Businesses ó Access to credit and efficient utilization of a loan requires the borrower to have sufficient skills in business planning and management. The borrower must also have the necessary skills and knowledge to spot business opportunities and exploit them. One of the main reasons for failure to establish and/or expand businesses is lack of financial capital. Currently, the cost of credit from a financial institution in Kenya is around 20%, which is way beyond the profit yields of most businesses. It is important that small and medium scale enterprises be facilitated to access credit as and when they require it. This result shall be attained through local farmer organizations, registered youth groups, and registered women groups. Each of these groups has different needs and hence capacity-building programs shall be customized for each. Specific activities: (1) Strengthening of these organizations through information technology infrastructure installation and upgrade grants; (2) Enhancing the capacity of entrepreneurs through linking up with the EU supported NAAIAP project, which is implemented by IFAD in partnership with Equity Bank. Specifically the groups will access inputs through an e-voucher system (3) For women, strengthen existing *Chamas*. *Chama* is a Swahili word that means ‘organization’. In the Kenyan context it is a communal financial pooling mechanism that is increasingly enhancing the lives of both urban and rural women with a common goal whether educated or semi-literate. (4) This project proposes to establish and use the Business Hub model that is currently the focus of applied development. This model proposes organizing various entrepreneurial groups and activities around a Business Hub that provides various services for start-up and growing businesses as well as consumers. The Business Hub will be centrally located and will be supported by raw and semi-processed

products and input flows from satellite centers that bring together producers. The satellite centers will serve as initial bulking and preliminary processing points.

Result 2.3: Access to trade facilitated Empowering entrepreneurs with technical and business skills is not sufficient to increase their incomes. Such businesses need to access both domestic and export markets for their products. Achievement of this result will strengthen on-going efforts to eliminate unwarranted barriers to trade within the country and regionally. Consequently, the main activities to attain this result will be (1) Upgrading existing rural and urban agricultural market outlets; (2) Construction of new market outlets meeting recommended specifications; (3) Strengthening market linkages between farmers, processors, rural consumers, urban consumers, and export markets; (4) Strengthening farmer collective marketing; (5) Facilitating dialogue, partnerships and collaborative planning between producers and local authorities to develop, manage and maintain marketplaces; (6) Facilitating dialogue and cooperation among producer groups, trader groups, processors, and exporters in commodity sub-sectors; (7) Expanding and harmonizing market information and intelligence systems; (8) Providing technical assistance and training on compliance with international standards for improved trade; (9) Support producer cooperatives to brand and market their products.

2.2.4 GAFSP Component 3: Cross-Cutting Interventions

Project Objective 3: Improve sector-wide institution building, implementation and coordination mechanisms

This objective aims to enhance complementarities, eliminate duplication, and reduce wastage of public, private and civil society investments in agricultural development. This furthers the ASDS objective to strengthen institutional frameworks, coordination structures, and regulatory functions in the agricultural sector. It also aims to effect the transfer of the service delivery roles to the Counties as provided for in the new Constitution 2010. While formulation of national agricultural policies will be done by the national government, Counties have the responsibility of domesticating the policies and designing County-specific agricultural development programs. National, County and Sub-sectoral programs will be aligned with policies developed for the sector. Cross-cutting sector-wide programs will be developed and jointly implemented by sub-sectoral actors. Priority setting, planning, budgeting, resource mobilization, implementation and administration will be harmonized and sector-wide in scope but taking into account the role and functions of Counties. Learning and knowledge-sharing on best practices will also be encouraged through the monitoring and evaluation framework.

Result 3.1: Improved Coordination of Agricultural Initiatives In order for ASCU to coordinate the sector effectively, technical assistance will be sought to strengthen ASCU. Also, the private sector will be involved prominently so that it takes a lead role in activities that could be more efficiently implemented by the private sector, for example processing and marketing. Major players in the private sector that participate in agricultural production are the Kenya National Federation of Agricultural Producers, Kenya National Farmers Federation, and East African Grain Council among others. This result will, therefore be achieved through the following activities: (1) Strengthening capacity for program management, including data collection and information system design and management and M&E; (2) Supporting knowledge development and dissemination; (3) Supporting design, analysis, and review of policy, legal and institutional reforms. (4) Establishing a consultative forum among the private sector players and ASCU; and (5) Developing a fully articulated

strategy for private sector involvement in the agricultural sector, and support its implementation.

Result 3.2: Third MTIP Under the ASDS developed ó The current MTIP will expire in 2017, one year before the end of this project. It is important to support the development of the third and final MTIP under the ASDS in time so that there is a seamless continuation of activities. The main activity will be to involve as many stakeholders as possible, between 2016 and 2017 to discuss the issues to be covered by MTIP 3 and formulate and approve the plan.

2.3 IMPLEMENTATION ARRANGEMENTS

The Ministry of Agriculture, Livestock, and Fisheries will be the lead agency implementing this project. This will be done through the Agricultural Sector Coordination Unit (ASCU), which is a body within this ministry to coordinate agricultural development in the country. At the county level, the departments in-charge of agriculture will coordinate the actual implementation on the ground. A schematic framework of these arrangements is presented as Annex 1.

This project will work through two main frameworks, the Agricultural Training Centers (ATC) owned by the Ministry of Agriculture and the farmer field schools that will be established at the initial stages of the project. The ATC in Machakos will serve Machakos and Kitui, the ATC in Makueni will serve Makueni and also Kitui, and the ATCs in Mtwapa and Lake Kenyatta will serve Tana River. Farmer field schools are being used successfully by FAO and other organizations in the target areas to improve agronomy practices and post harvest management. There are however currently far too few FFS groups to make a significant and sustained difference. Any existing farmer field schools from previous or ongoing projects will also be considered and used before new ones are formed. Under these two main frameworks, activities targeting women groups and youth groups will be facilitated.

2.4 AMOUNT OF FINANCING REQUESTED

This project focuses on improving accelerating agriculture development for four of Kenya's underfunded semi-arid lands counties, through traditional high value crops and small stock (poultry and goats) by enhancing implementation of MTIP specific objectives. It seeks to contribute to bridging the gap in the amount required to implement MTIP. The total amount requested is US\$ 45,000,000. The detailed budget and summary of the activities and the corresponding financial requirements are shown in Annex 12.

2.5 PREFERRED SUPERVISING ENTITY AND GOVERNMENT TEAM

The preferred supervising entity for this GAFSP project will be the African Development Bank (AfDB).

The African Development Bank (AfDB) has been a traditional and preferred partner for the Government of Kenya for many years in various development sectors and in particular in the agriculture sector. The overall ongoing portfolio of the AfDB in Kenya consist of 26 projects with a value of approximately USD 1.5 billion in various sectors such as agriculture, water, energy, human development, infrastructure, etc. The agriculture portfolio consists of five projects with a value of USD 142 million. The project interventions range from irrigation, horticulture development, livestock development, various rural infrastructure and natural

resource management. This experience complements the current GAFSP proposal very well. In addition to this experience, the AfDB also has the potential to mobilize additional funding for the proposed GAFSP initiatives. This is why the Government of Kenya selects the AfDB as the preferred Supervising Entity for the GAFSP.

The Food and Agricultural Organization, Kenya Representation Office (FAOKE) will provide technical assistance to ensure effective implementation of the project. FAOKE is providing support to Kenya's agricultural sector through development of various value chains in both livestock and crops. FAO's development programme is designed to respond to the priorities of the Government of Kenya as outlined in the Agricultural Sector Development Strategy and Vision 2030. FAOKE is also implementing an Emergency and Early Recovery Programme, which, while providing immediate support in emergencies and crisis preparedness, simultaneously protects livelihoods and builds resilience. FAO works with ministries, research institutions and development partners in its development activities. Through the sharing of knowledge and best practices, FAO aims to strengthen the capacity of government institutions, non-governmental and private sector partners. Furthermore, FAO's programmes build the capacity of stakeholders to mainstream HIV and gender issues in food security responses and agricultural livelihoods (<http://coin.fao.org/cms/world/kenya/Home.html>).

The Government of Kenya will be the lead implementing agency under the overall supervision of the Principal Secretary in the Ministry of Agriculture, Livestock, and Fisheries. The ASCU Coordinator will provide direct supervision for the technical implementation of the project at the County level.

Both AfDB and FAOKE have been widely consulted by the Government of Kenya in the preparation of this proposal.

2.6 TIME FRAME FOR SUPPORT

Activities under this project are expected to cover five years, from 2014 to 2018. Within this period, and if the assumptions outlined in the logical framework are true, the results and outcomes are expected to have been achieved.

2.7 RISKS AND RISK MANAGEMENT

The risks and risk levels for the proposal are shown below.

Table 7: Project Risks and Risk Levels

Risk Description	¹ Risk Rating	Risk Mitigation Measure	Risk Rating After Mitigation
Rejection of new varieties by farmers	1*3 = 3	Conduct demonstration trials early	1
New invasive pests and diseases	1*3 = 3	Introduce multiple varieties and breeds with different resistance profiles Streamline input supply chain	1*2 = 2
Extreme droughts	3*3 = 9	Improve water supply through water harvesting and irrigation	3*1 = 3

Risk Description	¹ Risk Rating	Risk Mitigation Measure	Risk Rating After Mitigation
		Introduce drought tolerant varieties	
Lack of budgetary support to traditional high value crops and small stock production	3*3 = 9	Lobby the Ministry of Finance	2*2 = 4
Objective 3: Improve sector-wide institution building, implementation and coordination mechanisms			
Low capacity of project implementation units	2*3 = 6	Train implementation units on project management Effective supervision agreements	1
Escalation of project costs	1*3 = 3	Train stakeholders on project management	1
Slow disbursement of funds	1*3 = 3	Negotiate with funding agency for a realistic funding plan	1
Discordance among the various stakeholders	1*3 = 3	Obtain buy-in from key stakeholders prior to project implementation Continuous engagement of stakeholders	1
Insecurity, especially in Tana River County	3*3 = 9	Obtain buy-in from political office holders prior to project implementation	3*2 = 6

¹ Risk rating is a product of (1) the probability of the risk occurring ϕ low=1, medium=2, or high=3 and (2) the impact of the risk whereby ϕ low=1, medium=2, or high=3. Risk Rating Product Range: Low = 1-3; Medium = 4-6; High = 7-9

2.8 CONSULTATION WITH LOCAL STAKEHOLDERS AND DEVELOPMENT PARTNERS

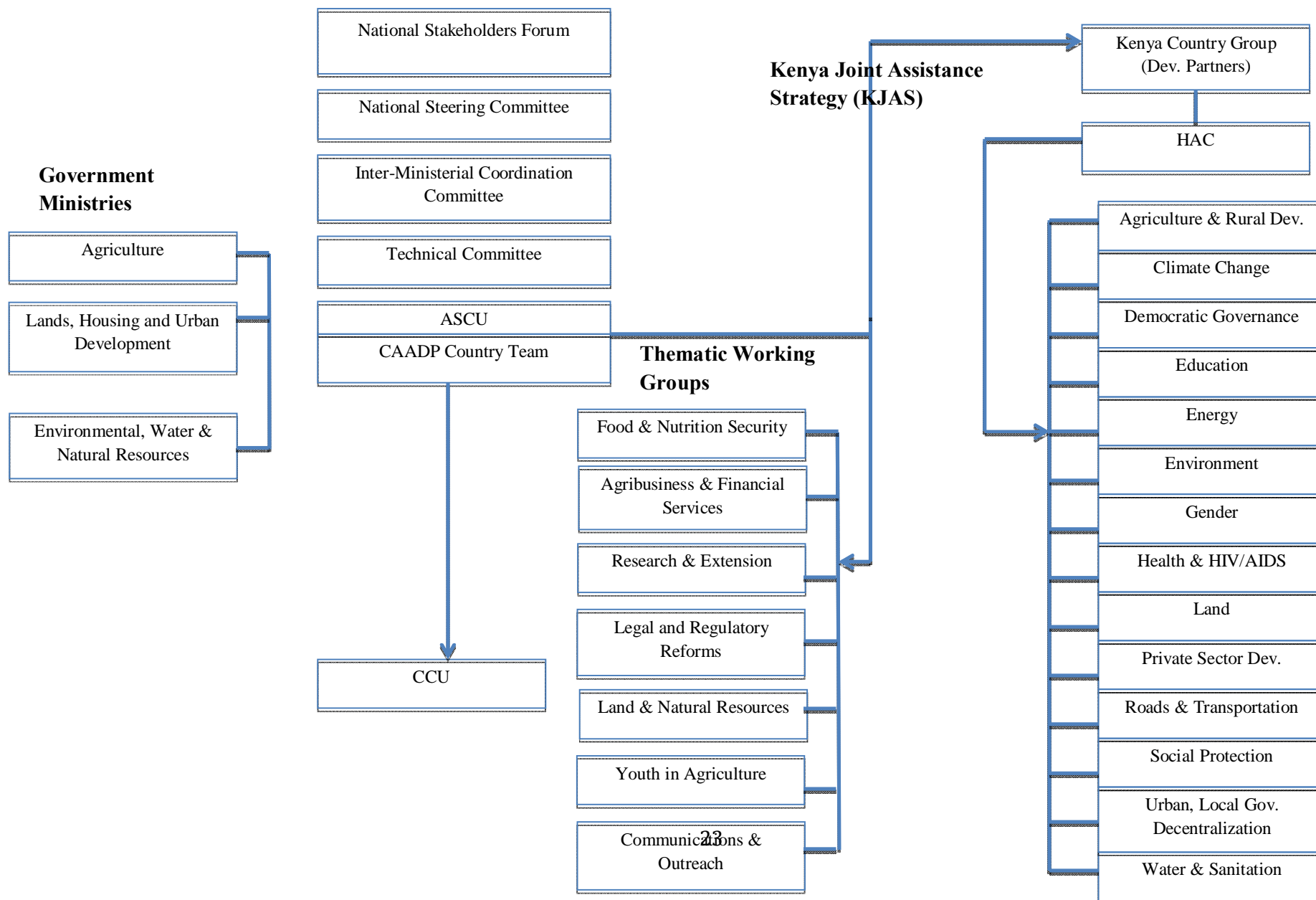
This proposal draws directly from the ASDS and MTIP 2013-2017. Consultations on the GAFSP should therefore be viewed in the context of the broad-based, lengthy and multi-layered process of consultation on the ASDS and MTIP. All activities proposed for support under the GAFSP initiative were discussed and agreed upon during the process of MTIP development, presentation, and discussion with local stakeholders and development partners. There is as much stakeholder acceptance and buy-in to the activities prioritized for support in the GAFSP proposal as there is for their inclusion in the MTIP itself.

In addition to the above, specific consultations have taken place in support of the GAFSP proposal these include:

- Consultation with farmer groups
- Review and comment on the document by the Development Partners Agriculture and Rural Development Group
- Review of the document by the Agriculture Sector Coordination Unit
- Review of the document by the supervising entities
- Discussion on the document with the Permanent Secretary Ministry of Agriculture

Additional consultations with stakeholders will be undertaken in the event that Kenya is asked to develop a full proposal, using the comprehensive coordination and structure in place for the ASDS. The TWGs on Agribusiness, Marketing and Value Chain Development and Food Security and Nutrition will be especially critical in this regard.

Annex 1: ASDS Implementation Structure



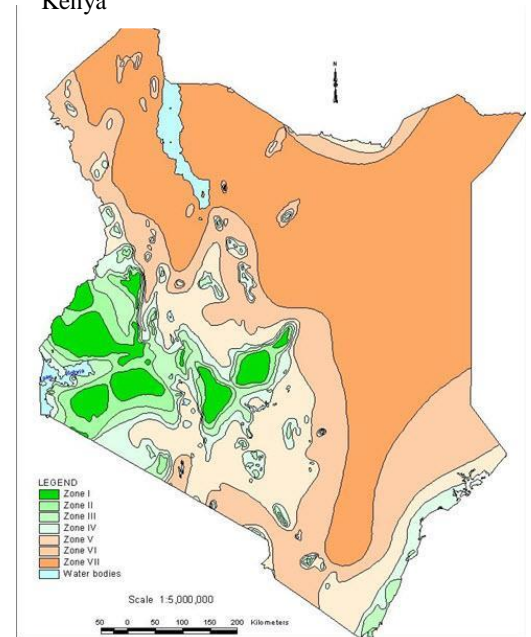
Annex 2: Agro-ecological zones in Kenya

Description of Agro ecological zones in Kenya

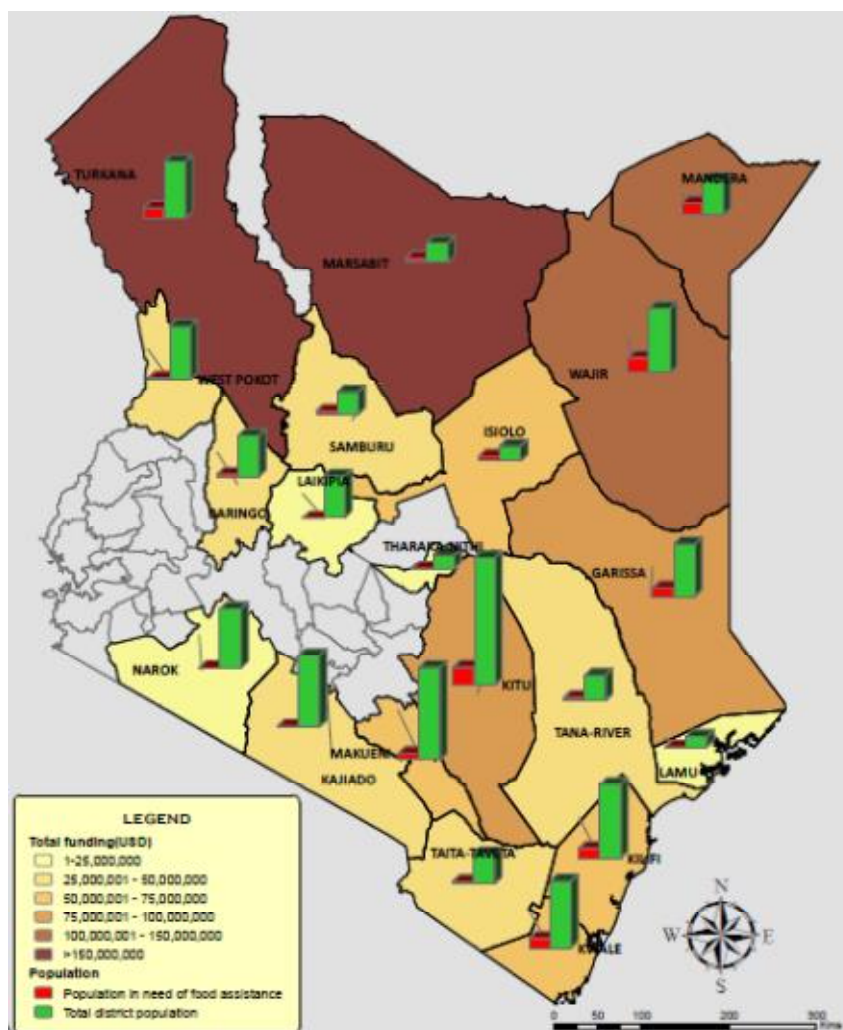
Agro Climatic Zone	Classification	Moisture Index (%)	Annual Rain fall (mm)	Land Area (%)
I	Humid	>80	1100 - 2700	
II	Sub-humid	65 - 80	1000 - 1600	12
III	Semi-humid	50 - 65	800-1400	
IV	Semi-humid to semi-arid	40 - 50	600-1100	5
V	Semi-arid	25 - 40	450-900	15
VI	Arid	15 - 25	300-550	22
VII	Very arid	<15	150-350	46

Modified from: Sombroek *et al.* (1982).

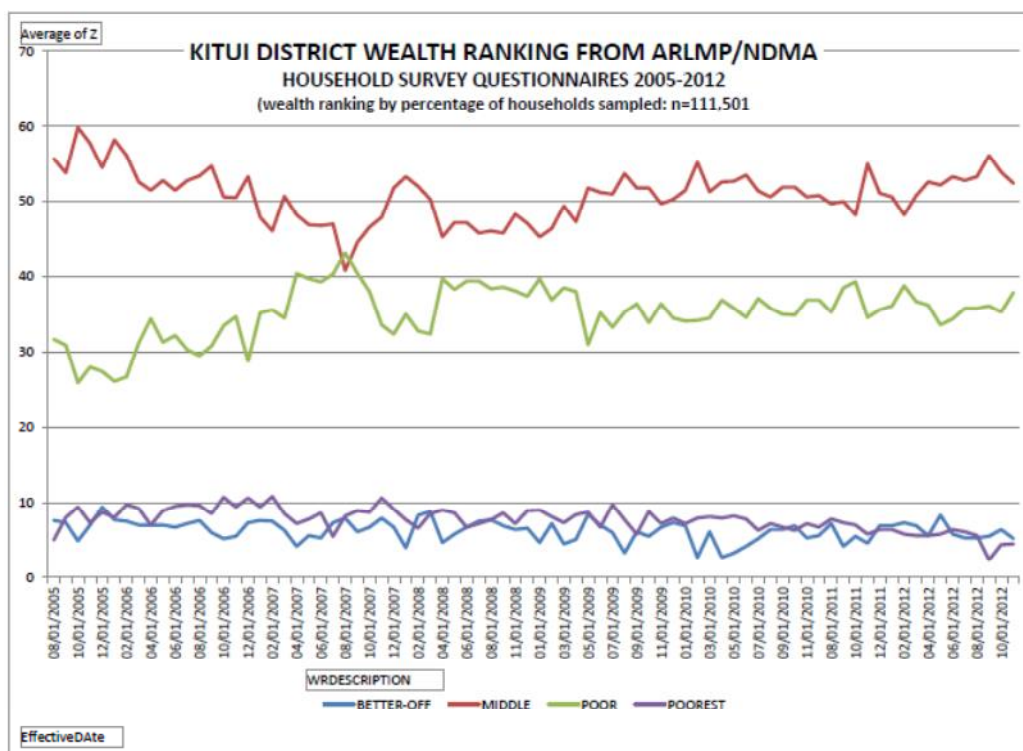
Map of Agro ecological zones in Kenya

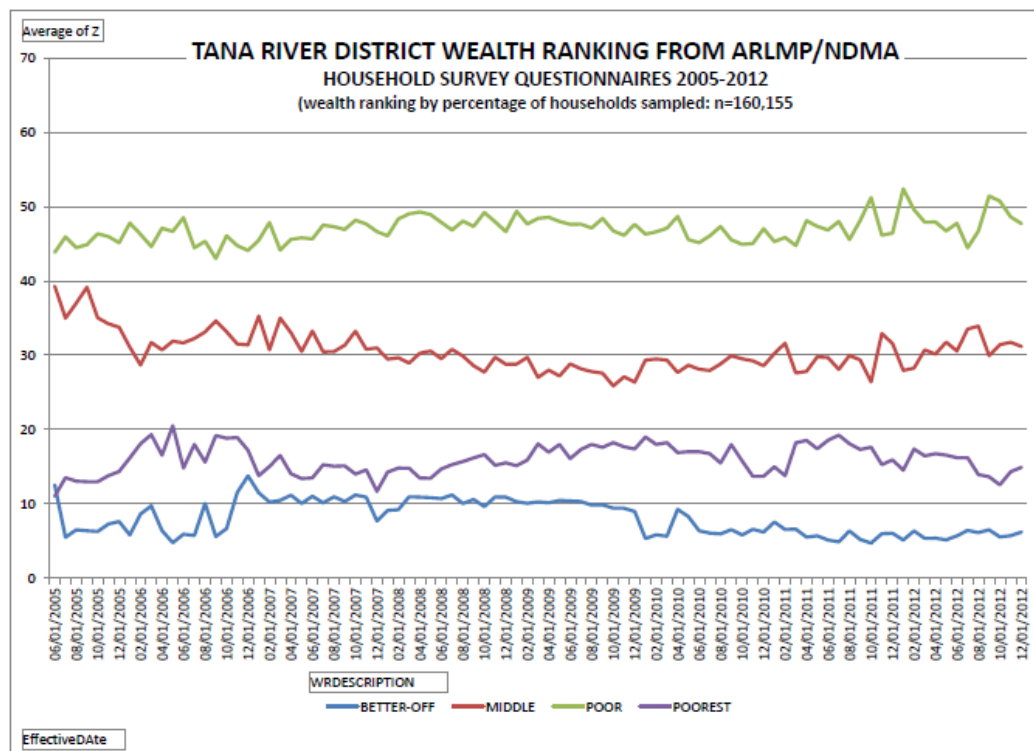
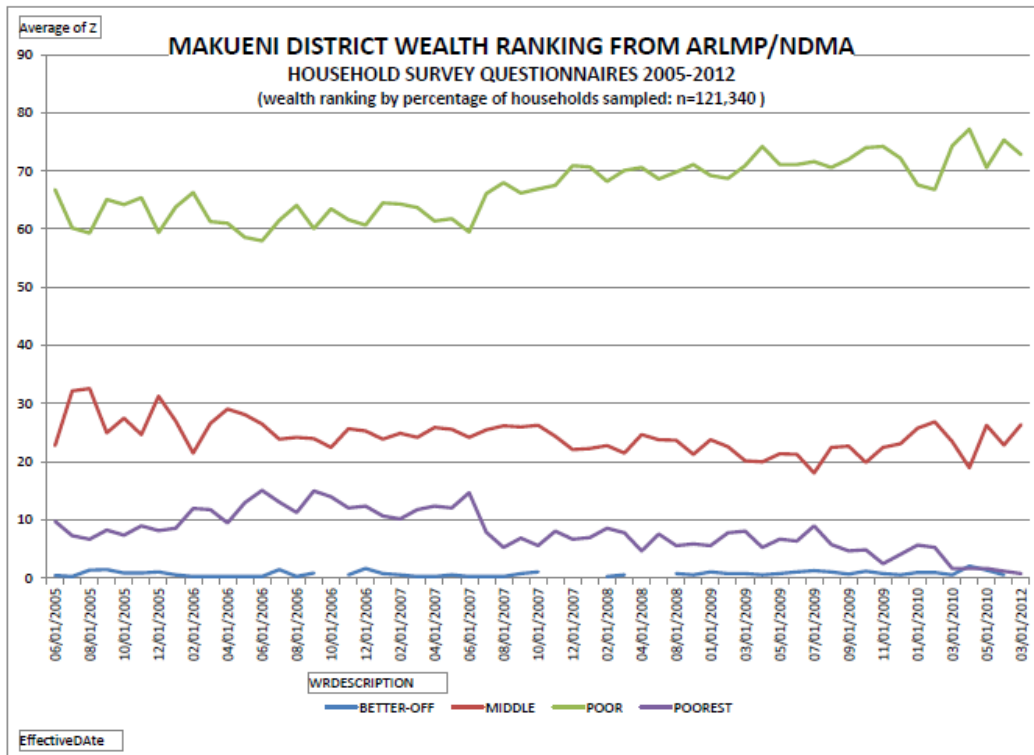


Annex 3a: Donor Funding Map for ASAL Counties



Annex 3b: Wealth Ranking for Kitui, Makueni, and Tana River Counties.





Annex 3c: Demographic, Farm and Agro-ecological Profiles of Kitui, Makueni, Machakos, and Tana River Counties

County	Population	Household Size	Farm Households	Proportion of Female Headed Households	Proportion of Male Headed Households	Rainfall Range (mm)	Temperature Range (°C)	Average Farm Size (Ha)
Kitui	1,109,944	4.9	182,356	42.5%	57.5%	300-800	14-34	6.0
Makueni	886,980	5.1	169,682	45.5%	55.5%	200-1900	16-24	1.9
Machakos	1,100,584	4.1	196,429	35.3%	64.7%	400-1500	10-34	1.3
Tana River	240,811	6.0	36,952	28.0%	72.0%	200-700	20-38	1.5
Total	3,338,319							

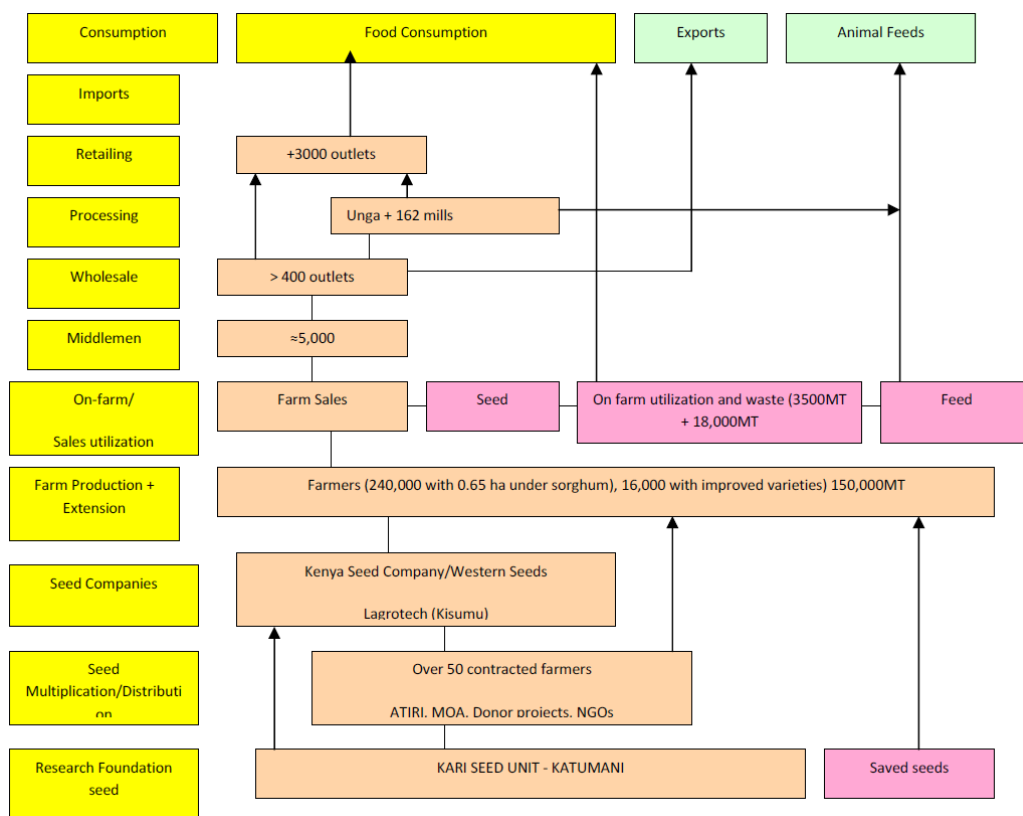
Annex 4: Production for Sorghum, Cassava, Pigeon peas and Green grams

Commodity	County	Area (Ha)	Production (90kg bags)	Yield (Bags/Ha)
Sorghum	Kitui	57,080	228,243	4.0
	Machakos	12,978	66,424	5.1
	Makueni	37,149	200,574	5.4
	Tana River	197	724	3.7
	Mean			4.55
	National	254,125	1,776,412	7.0
Pigeon peas	Kitui	34,755	226,185	6.5
	Machakos	48,449	317,453	6.6
	Makueni	35,150	248,275	7.1
	Tana River	-	-	-
	Mean			6.73
	National	138,708	936,812	6.8
Green grams	Kitui	58,905	216,113	3.7
	Machakos	12,836	56,965	4.4
	Makueni	35,140	180,360	5.1
	Tana River	1,484	11,417	7.7
	Mean			5.23
	National	159,910	780,283	4.9
Cassava	Kitui	1,448	Production (tons)	Yield (tons/Ha)
			27,521	19.0

	Machakos	3,632	38,560	10.6
	Makueni	1,260	12,147	9.6
	Tana River	119	7,945	67.0
	Mean			26.55
	National	59,794	673,299	11.3

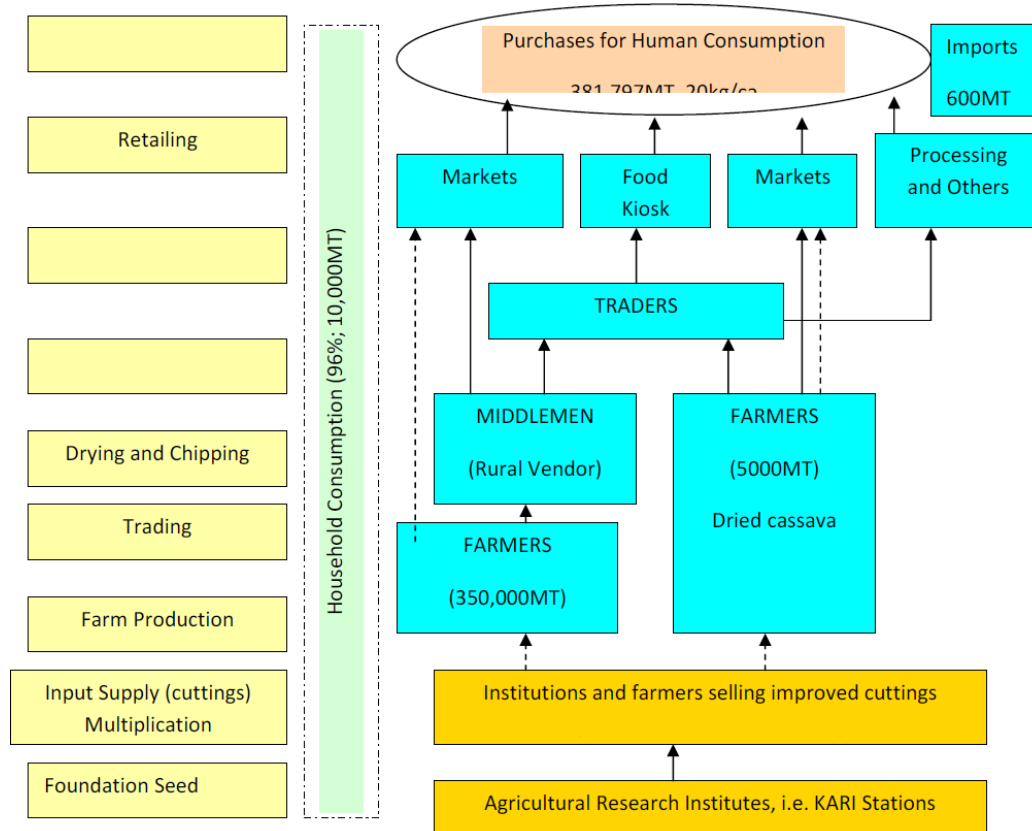
Source: Ministry of Agriculture (2012)

Annex 5: Sorghum Value Chain



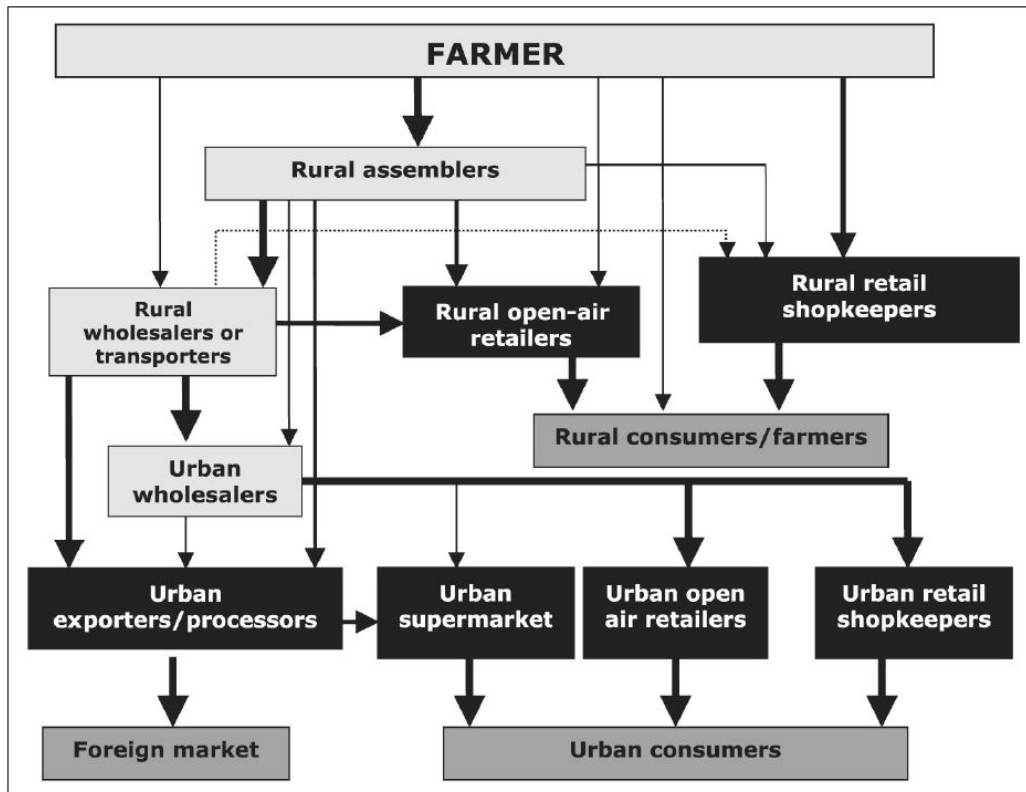
Sorghum Value Chain (Source: USAID, 2010)

Annex 6: Cassava Value Chain



Cassava Value Chain (Source: USAID, 2010)

Annex 7: Pigeon Pea Marketing channels



Source: Market survey, 2006.

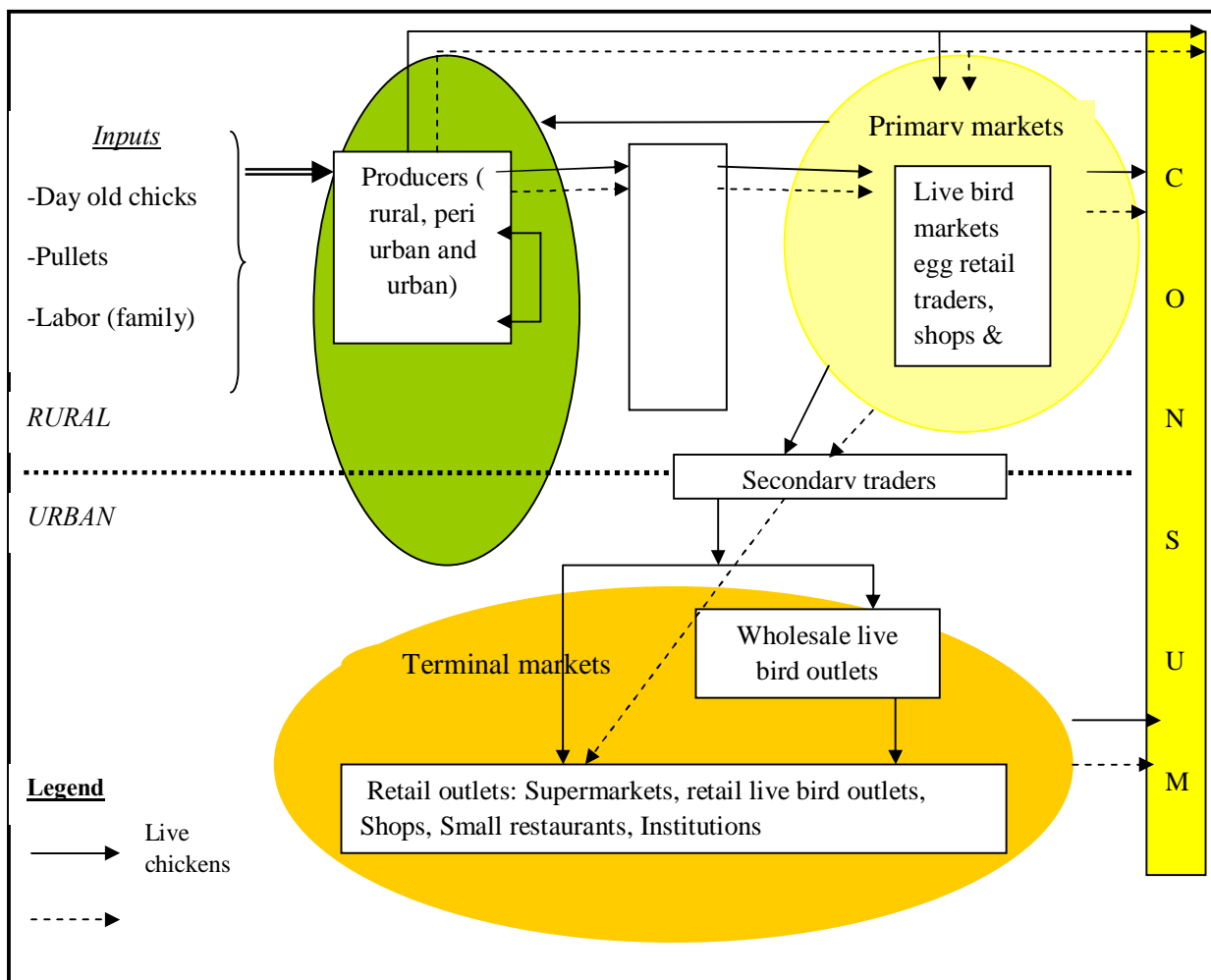
Source: Shiferaw et al (2007))

Annex 8: Distribution of Indigenous Poultry Population in 2003 – 2007.

PROVINCE	Number of indigenous chickens ('000)			
	2003	2005	2006	2007
Central	1390	1947.2	1967.2	2462.8
Coast	1900.4	2153.5	1947.1	1776.4
Eastern	3637.9	3549.3	3864.8	3599.0
Nairobi	41.4	157.1	141.4	124.3
North Eastern	58.708	141.5	165.0	238.9
Nyanza	5735.4	5435.4	5682.7	6162.8
Rift Valley	5392.6	5758.8	5622,5	5450.2
Western	2613.3	2517.6	2644.2	3017.5
TOTAL	20769.7	21660.4	22034.8	22831.9

Source: MOLFD Annual Reports (2003, 2005, 2006 & 2007)

Annex 9: Indigenous Poultry and Eggs value chain



Annex 10: Goat Statistics

Annex 10a: Distribution of goats ('000') for the year 2010

Province	Central	Coast	N/eastern	Nairobi	Eastern	Nyanza	R/valley	Western	Total
Dairy goats	100.5	12.4	0.1	14.9	29.4	9.5	82.5	5.1	251.1
Indigenous goats	337.9	1,250.5	3,838.4	31.9	4,653.1	1,120.9	5,986.9	250.7	17,234.6
Total	438.4	1,262.9	3,838.5	46.8	4,682.5	1,130.4	6,069.4	255.8	17,485.7

Annex 10b: Trends of goat population in Kenya ('000') between 2000 and 2010

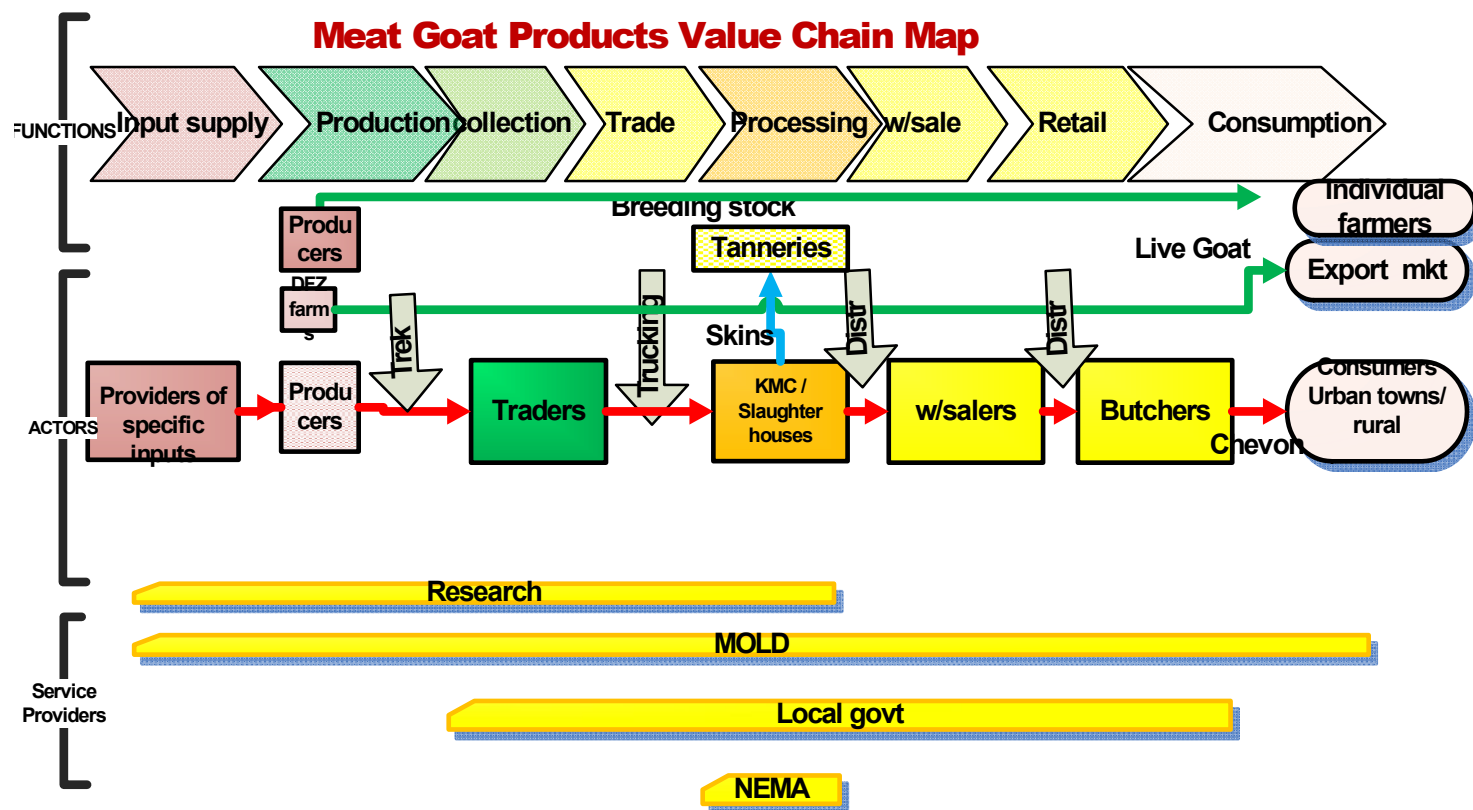
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Milk goats	82	91	93	118	112	253	145	178	175	171.7	251.1
Meat goats	9,923	10,689	11,226	11,827	13,279	13,629	12,711	13,788	14,303	13,700	17,235
Total	10,004	10,781	11,319	11,946	13,391	13,883	12,856	13,966	14,478	13,872	17,486

Annex 10c: Production (tonnes) of meat by Goats in Kenya between 2002 and 2008

Product	2002	2003	2004	2005	2006	2007	2008	Average
Goat meat	34,650	36,300	41,250	42,350	42,570	45,100	45,100	41,046

Source: MoLD and FAOSTAT various.

Annex11: Meat Goat Products Value Chain



Source: Omondi, 2011

Annex 12: Detailed Budget Per Activity

Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% Share
Objective 1. Increase Agricultural Productivity						22,275,000.00	49.5%
Result 1.1: Increasing Agricultural Productivity						8,100,000.00	18.0%
1.1.1 Formation of and support to farmer field schools	1,080,000.00	810,000.00	405,000.00	270,000.00	135,000.00	2,700,000.00	6.0%
1.1.2 Support for certified seed multiplication for appropriate varieties	540,000.00	270,000.00	270,000.00	135,000.00	135,000.00	1,350,000.00	3.0%
1.1.3 Establishment of improved varieties demonstration farms	-	450,000.00	270,000.00	180,000.00	-	900,000.00	2.0%
1.1.4 Training farmers on good agronomic practices	202,500.00	337,500.00	101,250.00	33,750.00	-	675,000.00	1.5%
1.1.5 Establishment of livestock multiplication and distribution centers	495,000.00	742,500.00	742,500.00	247,500.00	247,500.00	2,475,000.00	5.5%
Result 1.2: Enhancing Nutritional Security						4,500,000.00	10.0%
1.2.1 Training women groups on nutrition for improved family health	180,000.00	270,000.00	225,000.00	135,000.00	90,000.00	900,000.00	2.0%
1.2.2 Preparation and promotion of affordable and nutritious diets	-	270,000.00	360,000.00	180,000.00	90,000.00	900,000.00	2.0%
1.2.3 Promote best mixed-farming practices	540,000.00	405,000.00	202,500.00	135,000.00	67,500.00	1,350,000.00	3.0%
1.2.4 Promote production of indigenous vegetables and fruits	180,000.00	135,000.00	67,500.00	45,000.00	22,500.00	450,000.00	1.0%
1.2.5 Establish home economics and nutrition units	180,000.00	270,000.00	270,000.00	90,000.00	90,000.00	900,000.00	2.0%
Result 1.3: Increasing Use of Agricultural Inputs						900,000.00	2.0%
1.3.1 Extend the concept of NAAIAP to the four counties	202,500.00	337,500.00	135,000.00	-	-	675,000.00	1.5%
1.3.2 Training of value chain actors on appropriate use of agro-chemicals	45,000.00	157,500.00	22,500.00	-	-	225,000.00	0.5%
Result 1.4: Improved Management of Water Resources						7,875,000.00	17.5%
1.4.1 Establishment and management of micro-irrigation schemes	90,000.00	315,000.00	315,000.00	135,000.00	45,000.00	900,000.00	2.0%
1.4.2 Establishment of small to medium-scale irrigation schemes	-	675,000.00	900,000.00	450,000.00	225,000.00	2,250,000.00	5.0%
1.4.3 Establishment of management structures for the small to medium-scale irrigation schemes	270,000.00	135,000.00	45,000.00	-	-	450,000.00	1.0%
1.4.4 Constructing roof run-off catchment structures	45,000.00	157,500.00	157,500.00	67,500.00	22,500.00	450,000.00	1.0%
1.4.5 Construction of water pans and dams	-	607,500.00	810,000.00	607,500.00	-	2,025,000.00	4.5%
1.4.6 Promotion of fish farming	-	67,500.00	90,000.00	67,500.00	-	225,000.00	0.5%
1.4.7 Protection of watersheds	45,000.00	90,000.00	135,000.00	135,000.00	45,000.00	450,000.00	1.0%
1.4.8 Construction of structures like gabions to reduce soil erosion	-	202,500.00	270,000.00	202,500.00	-	675,000.00	1.5%
1.4.9 Promotion of on-farm structures like trenches and terraces	45,000.00	135,000.00	180,000.00	67,500.00	22,500.00	450,000.00	1.0%
Result 1.5: Increased Forest Cover						900,000.00	2.0%
1.5.1 Establishment of community tree nurseries and woodlots	90,000.00	135,000.00	135,000.00	45,000.00	45,000.00	450,000.00	1.0%

Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% Share
1.5.2 Promotion of agro-forestry activities on-farm	90,000.00	135,000.00	135,000.00	45,000.00	45,000.00	450,000.00	1.0%
Objective 2. Increase Market Access and Trade						17,325,000.00	38.5%
Result 2.1: Increased Post-harvest Processing and Value Addition						6,750,000.00	15.0%
2.1.1 Control of storage pests and diseases	67,500.00	236,250.00	236,250.00	101,250.00	33,750.00	675,000.00	1.5%
2.1.2 Construction of appropriate stores	157,500.00	551,250.00	551,250.00	236,250.00	78,750.00	1,575,000.00	3.5%
2.1.3 Value chain development feasibility studies	315,000.00	135,000.00	-	-	-	450,000.00	1.0%
2.1.4 Establishment of cottage food processing industries	540,000.00	810,000.00	1,080,000.00	270,000.00	-	2,700,000.00	6.0%
2.1.5 Strengthening enforcement of food grades, standards and safety	270,000.00	360,000.00	180,000.00	90,000.00	-	900,000.00	2.0%
2.1.6 Strengthening management of the strategic grain reserve	135,000.00	135,000.00	90,000.00	45,000.00	45,000.00	450,000.00	1.0%
Result 2.2: Entrepreneurial Capacity Building						5,625,000.00	12.5%
2.2.1 Strengthening of local farmer youth and women organizations through ICT	360,000.00	540,000.00	-	-	-	900,000.00	2.0%
2.2.2 Establishment of a credit access and input purchase system	236,250.00	236,250.00	472,500.00	472,500.00	157,500.00	1,575,000.00	3.5%
2.2.3 Strengthen existing <i>chamas</i> for women	202,500.00	202,500.00	405,000.00	405,000.00	135,000.00	1,350,000.00	3.0%
2.2.4 Establish and support Business Hubs	270,000.00	270,000.00	540,000.00	540,000.00	180,000.00	1,800,000.00	4.0%
Result 2.3: Access to Trade Facilitated						4,950,000.00	11.0%
2.3.1 Upgrading existing rural and urban agricultural market outlets	540,000.00	810,000.00	-	-	-	1,350,000.00	3.0%
2.3.2 Construction of new market outlets	-	-	360,000.00	360,000.00	180,000.00	900,000.00	2.0%
2.3.4 Strengthening market linkages	202,500.00	270,000.00	135,000.00	67,500.00	-	675,000.00	1.5%
2.3.5 Strengthening farmer collective marketing	135,000.00	180,000.00	90,000.00	45,000.00	-	450,000.00	1.0%
2.3.6 Facilitating dialogue, partnerships and collaborative planning	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	225,000.00	0.5%
2.3.7 Facilitating dialogue and cooperation among value chain actors	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	225,000.00	0.5%
2.3.8 Expanding and harmonizing market information systems	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	225,000.00	0.5%
2.3.9 Providing technical assistance and training on international standards	90,000.00	90,000.00	90,000.00	90,000.00	90,000.00	450,000.00	1.0%
2.3.10 Support producer cooperatives to brand and market their products	180,000.00	270,000.00	-	-	-	450,000.00	1.0%
Objective 3. Improve Implementation and Coordination Mechanisms						5,400,000.00	12.0%
Result 3.1: Improved Coordination of Agricultural Initiatives						4,725,000.00	10.5%
3.1.1 Strengthen capacity for program management including M and E	810,000.00	810,000.00	540,000.00	270,000.00	270,000.00	2,700,000.00	6.0%
3.1.2 Support knowledge development and dissemination	135,000.00	135,000.00	90,000.00	45,000.00	45,000.00	450,000.00	1.0%
3.1.3 Support design, analysis, and review of policy and laws	67,500.00	67,500.00	45,000.00	22,500.00	22,500.00	225,000.00	0.5%
3.1.4 Establish and support consultative forum to involve private sector	180,000.00	270,000.00	-	-	-	450,000.00	1.0%
3.1.5 Strategy for private sector involvement	270,000.00	270,000.00	180,000.00	90,000.00	90,000.00	900,000.00	2.0%

Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% Share
Result 3.2: Third MTIP Under the ASDS developed						675,000.00	1.5%
3.2.1 Develop and support implementation of the third MTIP	202,500.00	202,500.00	135,000.00	67,500.00	67,500.00	675,000.00	1.5%
Project Total	9,821,250.00	14,096,250.00	11,598,750.00	6,626,250.00	2,857,500.00	45,000,000.00	100.0%

