REPUBLIC OF KENYA

MEDIUM-TERM INVESTMENT PLAN: 2013– 2017

FOR

AGRICULTURAL SECTOR DEVELOPMENT STRATEGY

Agricultural Sector Coordination Unit (ASCU)

Kilimo House, Cathedral Road

P.O.BOX 30028-00100

Nairob-Kenya

Tel:- +25 20 2046856

e-mail:-info@ascu.go.ke

website:-www.ascu.go.ke

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ABBREVIATIONS

ALFFA	Agriculture Livestock & Fisheries Food Authority
ASAL	Arid and Semi-Arid Lands
ASCU	Agriculture Sector Coordination Unit
ASDS	Agriculture Sector Development Strategy
CAADP	Comprehensive African Agriculture Development Programme
CACU	County Agriculture Coordinating Units
CGIAR	Consultative Group on International Agriculture Research
COMESA	Common Market for Eastern and Southern Africa
DCU	Decentralized Coordination Units
EAC	East Africa Community
ERS	Economic Recovery Strategy
HRA	High Rainfall Areas
ICC	Inter-ministerial Coordinating Committee
IFPRI	International Food Policy Research Institute
KENFAP	Kenya National Federation of Agriculture Producers
KEPSA	Kenya Private Sector Alliance
KLMC	Kenya Livestock Marketing Council
LAPSSET	Lamu Port and South Sudan Ethiopia Transport Corridor
MTIP	Medium Term Investment Programme
NARS	National Agriculture Research System
NGO	Non-Governmental Organizations
NSF	National Stakeholder Forum
SAM	Social Accounting Matrix
SRA	Strategy for Revitalizing Agriculture
TC	Technical Committee
TVET	Technical and Vocational Training
TWG	Thematic Working Groups

EXECUTIVE SUMMARY

This Medium-Term Investment Plan (MTIP 2013-17) for Kenya's agricultural sector is based on the country's Agricultural Sector Development Strategy (ASDS 2010-20) that was developed as the sector's response to implement Kenya Vision 2030. It updates and significantly revises the MTIP prepared in 2010. The MTIP has been revised to synchronize it with the implementation time frames of Vision 2030 that is implemented through 5 year Sectoral Medium Term Plans (MTPs). The synchronization of ASDS-MTIP with Vision 2030 MTP makes it possible to relate more clearly the contribution MTIP investments in the outcomes of MTP for the same period. In revising the ASDS MTIP, efforts have been to incorporate issues that have emerged since the launch ASDS was launched in 2010.

Some of the issues that have emerged have potential to impact on the MTIP implementation and outcomes. These issues include the opportunities created by the discovery and development of oil and other mineral resources, the commencement of the LAPSSET, the Konza ICT city and Isiolo Tourist Resort projects. The formulation of ASDS MTIP 2013-17, has also taken advantage to review the risk profile under which the plan will be implemented. One of the risks arises from capacity constraints to implement the new constitution. The other key risk relates to the unfolding economic and financial crisis in Europe. Despite these risks, Kenya's resilience to internal and external shocks is reason to be optimistic and invest.

Agriculture, Growth, Employment, Poverty Reduction and Food Security

Despite an unprecedented range of pressures generated by global climate change, the global financial and economic crisis, high food and fuel prices and internal challenges, Kenya's economy has registered growth rates ranging between 3 and 7 percent since 2005. Between 2002 and 2007, the national poverty rate fell from 56 percent to 46 percent. To achieve development aims the Government prepared Vision 2030 to provide the road map for Kenya's development over the next two decades.

The review of MTIP has provided opportunity to refocus investments on areas that the sector can make the greatest impact and contribution in resolving the most critical national challenges. The identified challenges include food and nutrition insecurity, high rate of youth unemployment and high levels of poverty among the farming communities. To resolve these issues it is vital that productivity in the sector be improved to provide household food security and profitability needed to attract the youth. This calls for reduction of the constraints currently associated with rain-fed agriculture. Consequently, the MTIP has identified irrigation and water management as a key of investment area in the next five years.

Other key areas for MTIP investment include infrastructure development to support production, primary processing and value addition in all agro-ecological zones. It also recognized that the new paradigm will require strengthening the capacity of both public and private sector service providers at policy, institutional and individual levels. The MTIP therefore devotes substantial resources in building capacity for research, extension and technology adoption. This will entail revamping or collaborating with training institutions to develop relevant curricula for providing hands-on technical and vocational training.

The framework for the MTIP 2013-2017 reflects the Government's comprehensive sector-wide approach to agricultural development and emphasis on food security enhancement. The investment areas emerge from the strategic thrusts prioritized in the ASDS and harmonized with Vision 2030 MTP II. It identified priority investments in six MTIP investment pillars follows:

1. Increasing productivity, food security;
2. Promoting private sector participation;
3. Promoting sustainable land and natural resources management;
4. Reforming delivery of agricultural services;
5. Increasing market access and trade;
6. Ensuring effective coordination and implementation.

Several challenges and opportunities cut across the MTIP's six investment pillars. Key among these are: policy and institutional reform, gender, food security and nutrition, youth employment and participation in agriculture, the role of the private sector, research and extension, climate change adaptation, and capacity development. The investment pillars integrate best practices to address the challenges and opportunities cited, resulting in an internally consistent and robust portfolio of interventions.

Resource Requirements for MTIP

The proposed portfolio of MTIP investments will require Kshs. 323.6 billion over the five year planning horizon to 2017. Associated recurrent costs will total Kshs. 219,493 million a 67 percent of the total estimated cost. Given the large role played by physical infrastructure improvement and development in the investment pillars aimed at increasing productivity and food security, and promoting sustainable water management, irrigation, land and natural resources management the relevant pillars will receive significant proportions of the budget. Investment pillars aimed at promoting private sector participation and increasing market access and trade will make up one-fifth of the budget. It also foresees a significant role for the private sector and integration of youth in agriculture. A significant proportion of the investments by the private sector will be made by farmers and their organizations especially the cooperative producer societies and cooperative financial institutions.

1 INTRODUCTION

This Medium-Term Investment Plan (MTIP) 2013-17 for Kenya's agricultural sector replaces the MTIP 2010-15. It is based on ASDS 2010-20 which was formulated after an extensive, highly transparent and participatory national consultation process on the future of the agriculture sector. Coordinated by the Agricultural Sector Coordination Unit (ASCU), the process involved in-depth consultation with all sector ministries[1], development partners, the private sector and civil society. The revision of the MTIP was necessitated by two reasons: first, to incorporate new issues with potential impacts on implementation and outcome of MTIP that have emerged since its formulation in 2010; secondly, to synchronize the term and proposed sector investments of MTIP with the term and priority investments of the second Medium Term Plan for Vision 2030. The harmonization of MTIP and MTP is important because ultimately, the MTIP is aimed at facilitating the attainment of the objectives of *Vision 2030, which is* Kenya's long-term development blueprint covering the period 2008 to 2030 (Figure 1.1). In addition to these considerations, MTIP 2013-17 has taken into account government priorities for the sector as elaborated in the Jubilee Coalition manifesto with regard to social protection for the vulnerable poor farmers and food security.

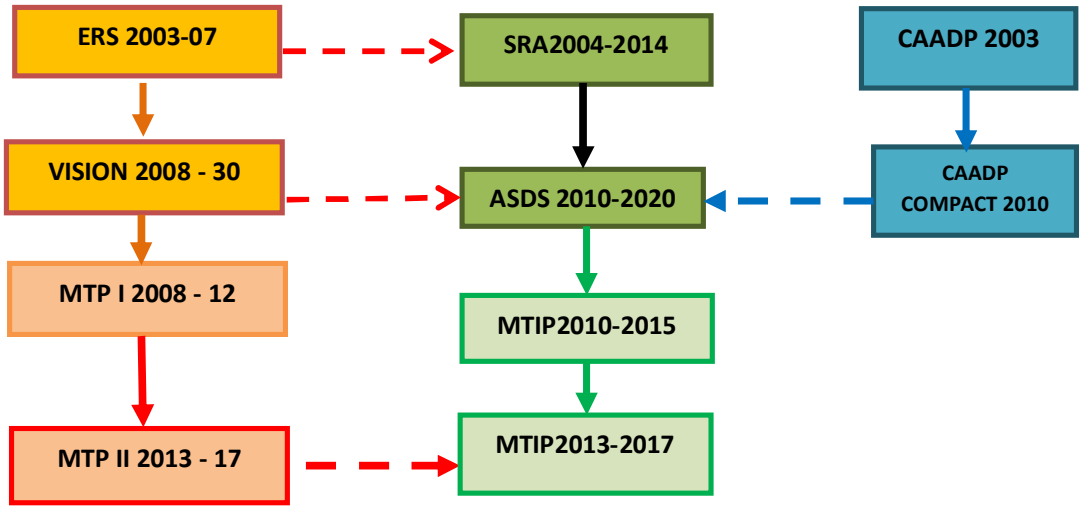

Figure 1.1: Linkage and foundations of the ASDS MTIP

Vision 2030's objective is to transform Kenya into a newly industrialized, middle-income country providing a high quality of life to all its citizens by 2030. In keeping with its predecessor Economic Recovery Strategy (ERS 2003-2007), *Vision 2030* identified the agricultural sector as one of six growth drivers to 2030, thereby providing a basis for development of Kenya's Agricultural Sector Development Strategy (ASDS). The ASDS, which replaced the successful Strategy to Revitalize Agriculture (SRA), envisages a food-secure and prosperous nation by 2020. Based on the ASDS, the Government of Kenya developed

[1] *There were 10 sector ministries at the time of ASDS formulation.*

the Kenya Comprehensive Africa Agriculture Development Programme (CAADP) Compact that commits Kenya to the vision, principles and strategy elements of the CAADP. The CAADP Compact views the agricultural sector not only as a potential engine of national economic growth, but also as a critical element of food security enhancement at household, community, and national levels, further generating benefits for the wider economy. This position makes the CAADP Compact well aligned, with the ASDS and also the wider sector imperatives indicated in Vision 2030. The implementation of ASDS through the MTIP will therefore not only ensure that the development needs of Kenya's agricultural sector are met and but also that the objectives of CAADP compact are achieved. The MTIP elaborates on and concretizes plans for agricultural sector development indicated in the ASDS and consequently the CAADP Compact. The revised MTIP forms the basis for the sector contribution to the second Medium Term Plan (MTP) for Vision 2030.

Following this brief introduction, the document is organized into 9 Chapters:

Chapter 1 is an introductory section giving the linkages between the MTIP and the national country blue print documents. It highlights chronological advancement of the national and sector strategies with their associated achievement.

Chapter 2 presents in a historical perspective the relationship between the growth of agricultural sector and the performance of the overall economy in the last two decades. It also shows the nexus between agriculture sector performance and employment and food security in the country.

Chapter 3 focuses on national targets for growth, food security enhancement and poverty eradication, and on the potential contribution of the agricultural sector toward meeting the set targets. Major constraints currently limiting such a contribution from the sector are also outlined. The aim of the analysis is to establish the quantitative rationale for the agricultural sector investment portfolio developed in the MTIP. The economy-wide analytical approach is highly applicable to the Kenya context in which the Government and stakeholders have adopted a cross-cutting sector-wide approach to agricultural development and food security enhancement, stressing linkages between the agricultural sector and the wider economy.

Chapter 4 presents the investment framework and portfolio in detail. The central elements of Kenya's sector-wide approach to agricultural development are described, along with crucial agro-ecological distinctions, strategic thrusts, and, finally, the medium-term investment pillars themselves, including objectives, rationale and prioritization criteria, challenges, linkages to CAADP, policy agendas, targets, activity areas, and major actors.

Chapter 5 presents the costs, benefits and financing arrangements. It shows the expected contributions from the government, development partners, private sector and the financing gap that remains and needs to be filled for full MRIP implementation.

Chapter 6 outlines the plan coordination and management arrangements. This includes establishment of likely linkages between central government and county governments in relation to ASDS.

Chapter 7 describes how the tools for monitoring the implementation of the investment plan will be developed and applied to monitor the investment plan

Chapter 8 provides an analysis of assumptions on which the proposed investment plan is based and the associated opportunities, risks and sustainability of the investment benefits.

Chapter 9 provides a summary of the conclusions made and the way forward for plan implementation.

2 Economic Growth, Agriculture and Food Security in Kenya

In recent years, Kenya's economy has shown itself to be extraordinarily resilient to internal and external shocks. Despite an unprecedented range of pressures generated by global climate change, the global financial and economic crisis, high food and fuel prices, and internal challenges, the economy has registered growth rates ranging between 3 and 7 percent since 2005. The Government of Kenya recognizes that to achieve ambitious aims set out in *Vision 2030*, growth rates must be further boosted. Key drivers of growth must be supported. Central among these growth drivers is the agricultural sector. Also important to achievement of national growth and development objectives is rapid growth of employment particularly youth employment, poverty reduction and significant improvement in the food security status of Kenyans. Between 2002 and 2007, the national poverty rate fell from 56 percent to 46 percent. The nexus between these objectives and the constraint that hinder achievement in the sector (Figure 2.1). The MTIP is basically aimed at unlocking the potential of agricultural sector contribution to national objectives by resolving the identified constraints. This section briefly sets out these crucial contextual dimensions that have underpinned development of the sector.

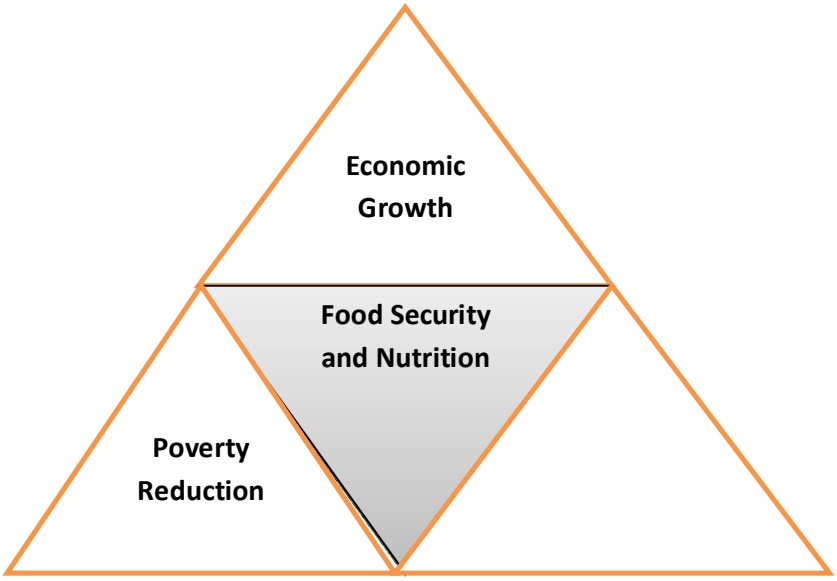

Figure 2.1: The Nexus between growth, employment, poverty and food insecurity

2.1 Agriculture and the Growth of Kenya Economy

Agriculture is recognized as the backbone of the Kenyan economy. The sector is diverse and dynamic, directly contributing 24 percent of GDP, valued at Ksh 342 billion in 2009, and another 27 percent indirectly, valued at Ksh 385 billion. The sector accounts for 65 percent of Kenya's total exports and provides more than 60 percent of informal employment in rural areas. The sector thus is not only a major driver of Kenya's economy, it is also the means of livelihood for the majority of Kenyans. The growth of the Kenyan economy is largely dependent on performance of the agricultural sector as shown in Figure 2.2 below.

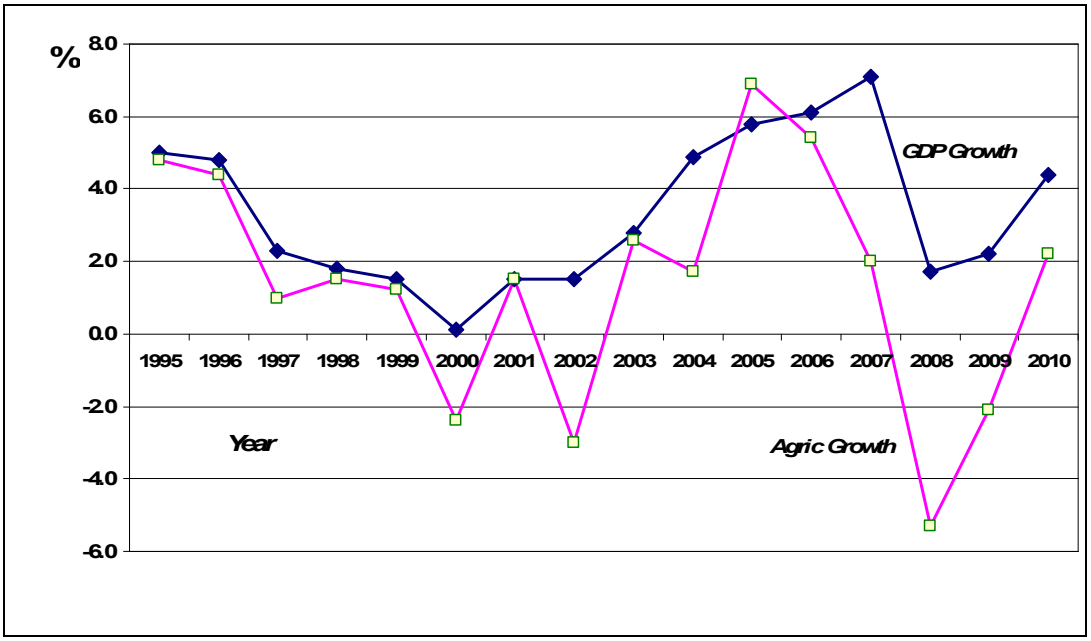

Figure 2.2: Relationship between Overall GDP and Agricultural Growth Rate (1995–2010)

Although the growth of agriculture sector was less impressive than other sectors of the economy, it has also performed well in recent years, growing faster than the growth rate of rural population. The sector recovered from negative 3 percent growth in 2002 to a positive 5.4 percent by 2006. From 2007 to 2009, prolonged drought and other challenges impacted negatively on the sector that reversed the trend. Nevertheless, the sector has returned to a positive growth and development path. Key to the recovery has been vibrant internal demand for major staples, livestock products, and horticultural goods, and a return to growth in key export sub-sectors such as coffee, tea, pyrethrum, horticulture, and cut flowers.

2.2 Employment Creation in the Agricultural Sector

In the period 2007 – 2011, Kenya's economy generated 2,482 thousand or an average of about 497 thousand jobs per year in both formal and informal sectors excluding small scale agricultural and pastoralist enterprises. Most of the jobs created, as shown in Table 2.1 were in the informal sector. The level of formal employment in the agricultural sector showed little growth. Consequently, its relative share in total employment steadily declined due to the rapid rise of informal sector. Although not indicated, agricultural sector is estimated to account for 70% of employment in rural areas. This is not surprising because according to vision 2030, more than 5.0 million households are engaged in agricultural activities[2].

[2] Well Being in Kenya: A Social-Economic Profile", June 2008 estimates households in agriculture at 6.4 million.

Table 2.1: Contribution of agricultural sector to employment in Kenya

Period	2007	2008	2009	2010	2011
Total Employment '000	9,479	9,954	10,457	10,955	11,475
Employment in Agriculture '000**	6,635	6,968	7,320	7,669	8,033
Growth of employment in agriculture (%)**	-	5.0	5.1	4.8	4.7

Source: KNBS, Wel-being in Kenya, 2008.

***** = estimated proportions direct & indirect (70% of the total employment)***

2.3 Food Security Challenges

As is well recognized, growth does not automatically translate into sustained improvements in food security. Indeed, Kenya faces major food security challenges. Between 2002 and 2007, food poverty fell by 12 percent. But poor or failed cropping seasons beginning that year resulted in sustained deterioration of national food security. The number of Kenyans requiring food assistance rose from 650,000 in late 2007 to almost 3.8 million in late 2009 and early 2010. The situation has improved significantly since then, but a key recognition is the weather-driven cyclical nature of food insecurity in Kenya. Pastoral and marginal agricultural areas are especially vulnerable. Extended periods of drought erode livelihood opportunities and community resilience in these areas, leading to undesirable coping strategies that damage the environment and impair household nutritional status, further undermining long term food security.

Kenya has a structural deficit in production of several key food crops, including maize, the main staple. Shortfalls in domestic production thus heighten risks of food insecurity for the millions of net buyers of food in the country a group that includes most smallholder farmers.

Urban food insecurity is also increasing, even in traditionally food secure regions. More than half of Kenya's 13 million urban dwellers live in informal settlements lacking basic services; many are unable to meet their food needs without compromising non-food expenditures. The low purchasing power and deeply-rooted economic vulnerability that underpin growing urban food insecurity suggests that increased food output alone is unlikely to significantly reduce food insecurity on aggregate. Improved access to food via more efficient markets is critical, especially given likely continued high food and fuel prices.

Opportunities for spurring growth in the agricultural sector and broader economy thus co-exist with challenges in translating such growth into greater food security for Kenyans. The MTIP is a central contribution to the win-win agenda. It recognizes that sustained food security will not be achieved unless a major shift in the way Kenya produces food is undertaken. The sector will move away from dependency on rain fed agriculture by focusing on improved water management and irrigation. Modern commercial agriculture will apply technology that is attractive to the youth and accessible to women. The result will be an increase in available income required for food purchase locally and regionally.

3 Growth, Food Security and Poverty Reduction

In addition to identifying the agricultural sector as a key driver of growth, *Vision 2030* and the ASDS highlights its pivotal role in sustainable poverty reduction and food security enhancement. Potential for achieving key development targets through growth in agricultural and non- agricultural sectors is substantial but constrained by a range of factors. This section analyzes this set of interactions.

3.1 Targets

Vision *2030* and the ASDS specify several national growth, food security, and poverty reduction targets relevant to the MTIP as shown in Table 3.1.

Table 3.1: Kenya's targets for growth, food security and poverty reduction

Indicator	Target
GDP growth rate (%)	10
Agricultural growth rate (%)	7
Poverty rate (%)	25
Reduction in food insecurity (%)	30
Annual increase in agriculture contribution to GDP (Ksh billion)	80
Divestiture in State Corporations dealing with production, processing and marketing	All
Reform and streamlining of agricultural services	All

Vision 2030's economic pillar aims to achieve an average Gross Domestic Product (GDP) growth rate of 10 percent per annum beginning in 2012. The ASDS sets a target agricultural growth rate of 7 percent per annum over the next 5 years (i.e. one percentage point above the CAADP-recommended target of 6 percent). Further, assuming an external environment that is conducive, and with support from enabling factors, the agricultural sector has set the following key targets:

- Reduction of people living below the absolute poverty line to less than 25 percent, to achieve the first MDG;
- Reduction of food insecurity by 30 percent to surpass the MDGs; and
- Increase in the contribution of the agriculture sector to the GDP by more than Ksh 80 billion per year.

Additional qualitative targets include:

- Divestiture in all state corporations dealing with production, processing and marketing that can be better done by the private sector; and
- Reforms and streamlining of agricultural services such as research, extension and regulatory institutions so as to be most effective and efficient.

3.2 Potential Contribution of the Agricultural Sector

On the basis of simulations conducted by IFPRI in a study in 2008, it appeared that the scope for achieving the ASDS targets depended on the level and quality of investments in the agricultural sector. The higher the level of investment in the sector, and the greater its quality (i.e., the more effective is implementation), the better are prospects that the sector will make the anticipated contributions to meeting the targets. Two scenarios were considered: current practice (CP) and beyond current practice[3]. The review of MTIP considered the conclusions made in the IFPRI study to be still valid and therefore did not need to do other simulations to compute the impacts of the revised investment levels and time frame on growth, food security and poverty reduction.

3.2.1 Current Practice

About 40 percent of agricultural growth in Kenya during 1990-2007 was driven by land expansion; the rest came from changes in cropping patterns and improvements in yields. For example, national average maize yields grew at 1.2 percent per year during 1990-2007, while maize land area grew 0.9 percent each year. Long-term agricultural growth has thus been driven fairly evenly by expanded cultivated land and improvements in cropping technologies. Continuation of this trend would imply 3.7 percent agricultural growth per year to 2015. Non- agricultural sectors would maintain stronger performance than agriculture, with manufacturing and service sectors growing more rapidly at 6.2 and 5.5 percent, respectively. This current practice (CP) scenario reflects trend-continuing improvements in the performance of major crop and livestock sub-sectors without introduction of any major new programs and investments. The CP scenario also assumes inertia in the policy environment and associated institutional arrangements, with limited legal and regulatory reform of the kind understood to be crucial to emergence of a sustainably vibrant agricultural sector in Kenya.

Under this current Price scenario for agricultural growth, overall national GDP would grow at an average rate of 5.1 percent during 2007-2015 (Figure 3.1).[4] With population growth at 2.5 percent per year, this would mean that per capita GDP would grow at 2.6 percent per year. With rising per capita incomes and fairly balanced growth across all sectors, poverty would decline from 47 percent in 2007 to 36 percent in 2015.[5] With this rate of poverty reduction, the absolute number of poor people in Kenya would decline from

[3] The analysis in this section is reproduced substantially from a recent study by the International Food Policy Research Institute: Thurlow, J. and S. Benin 2008; Agricultural Growth and Investment Options for Poverty Reduction in Kenya. A report prepared for Kenya's Comprehensive Africa Agricultural Development Programme (CAADP) Roundtable discussion, Washington, DC: International Food Policy Research Institute. This study developed an economy-wide computable general equilibrium (CGE) and micro-simulation model for Kenya to analyze linkages and tradeoffs between economic growth and poverty reduction at macro and micro levels.

[4] This would be consistent with the average GDP growth rate of 5.4 percent experienced during 2002-2007.

[5] This would be consistent with recent findings that poverty is likely to have declined between the two recent household surveys in 1998/99 and 2005/06.

16.6 million people in 2007 to 15.4 million by 2015.

Data do not exist to permit rigorous and comprehensive tracking of the impacts of the current Price agricultural growth scenario on all dimensions of food security. Available data do, however, allow capture of the effects on food consumption, one dimension of food security. Under CP, food consumption in Kenya's most food insecure regions (counties in the former Eastern and North Eastern Provinces) would increase by 17 percent. This suggests significant reductions in food insecurity, but likely well below the target 30 percent decline.

Relatively balanced growth across both agricultural and non-agricultural sectors would mean that national income growth would be distributed across both rural and urban areas. Accordingly, urban poverty would fall from 35.2 to 27.4 percent by 2015, while rural poverty would decline from 49.7 to 37.8 percent. Assuming the poverty rate was roughly 50 percent in the early 1990s, poverty reduction under the CP scenario would be insufficient to reach the first Millennium Development Goal of halving poverty by 2015 (Figure 3.1). Agricultural GDP would increase by Ksh 103 billion, well beyond the Ksh 80 billion target, but clearly insufficient to take broader growth and poverty reduction to their targeted levels.

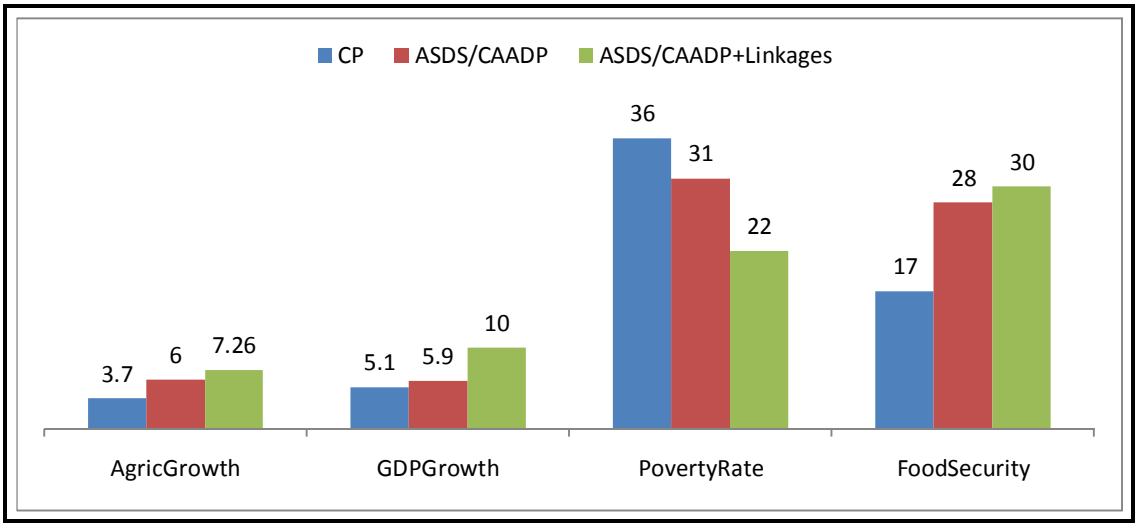

Figure 3.1: Kenya's performance against growth and poverty reduction targets under alternative investment scenarios

3.2.2 Beyond Current Practice: The ASDS/CAADP Growth Scenario

The aim of the ASDS, and thus also of this MTIP, is to propel Kenya beyond the CP scenario and its outcomes, generating impacts that stimulate growth and rendering occupations within the agricultural sector attractive, especially to Kenya's youth. According to the ASDS, such propulsion would emanate from enhanced productivity in key sub-sectors, improved land and natural resource management, improved market access and trade, enhanced private sector participation, policy and institutional reform, and improved coordination. Investment in these areas that provided farmers with incentives to pursue practices that raised yields of key agricultural commodities at rates that, while aggressive, were within range of reasonable field- based potentials identified by national research and extension

agencies, would assure that Kenya achieved the CAADP agricultural growth target of 6 percent per annum.[6] This investment scenario is labeled the ASDS/CAADP scenario in Figure 3.1.

This acceleration of agricultural growth under the ASDS/CAADP scenario would increase the national GDP growth rate from its current 5.1 percent to 5.9 percent per year. Faster agricultural growth would spur growth in non-agricultural sectors, by raising final demand for non-agricultural goods, lowering input prices, and fostering upstream processing, generating strong economy-wide growth-linkage effects. For instance, the growth rate of agriculture-based processing in the manufacturing sector would increase from 5.3 percent under the CP scenario to 7.7 percent per year under the ASDS/CAADP scenario.

Faster agricultural growth, and the spillover effects into non-agriculture, would cause poverty in Kenya to decline by a further 5 percentage points. Under the ASDS/CAADP scenario, the share of Kenya's population under the poverty line would fall to 31 percent by 2015, compared to 36 percent under CP. An additional 2.1 million people would be lifted above the poverty line by 2015, taking Kenya half way to achieving the first MDG. Food security under the ASDS/CAADP scenario (as captured by food consumption in Eastern and North Eastern Provinces) would rise by 9 percentage points more than under the CP scenario. The target annual increase in agricultural GDP would be even more significantly surpassed.

The ASDS/CAADP scenario for agricultural growth is ambitious. Yet, agricultural growth that met the 6 percent target would still be insufficient to meet the MDG1 poverty-reduction target. Deeper cuts in poverty must come through stronger links with more rapidly-expanding non- agricultural sectors such financial services, tourism and ICT. This is fully consistent with the ASDS and *Vision 2030*. Such a scenario is labeled ASDS/CAADP + Linkages in Figure 3.1. Non-agricultural sectors would grow at 8.5 percent (compared to between 5.5 percent and 6.2 percent in recent years. Such growth would further stimulate agricultural growth (from the demand side) to a rate of 7.26 percent. The combined effect would lift national GDP growth to the targeted 10 percent. With such growth, the national poverty rate would fall 3 percentage points below the MDG1 target of 25 percent by 2015, with associated increases in food consumption in vulnerable areas.

3.2.3 Divergent Potential across Commodity Sub-sectors

Biophysical and socioeconomic realities dictate that potential for generating growth differs across Kenya's agricultural commodity sub-sectors. Figure 3.2 depicts these differences for the main commodity sub-sectors in the country. The figure compares, first, the individual impacts on agricultural GDP of commodity sub-sectoral growth rates associated with the ASDS/CAADP growth scenario, and, second, the impacts of such changes on economy-wide

[6] Taking maize as an example, for the; ASDS/CAADP; scenario the annual yield growth for maize would rise from the CP rate of 1.35 percent to 3.95 percent. Yields of other commodities would also increase in a similar manner, but to differing degrees based on long-term trends and potential yields (Thurlow and Benin, 2008. Op cit).

growth. At one extreme, growth emanating from the maize sub-sector would cause agricultural GDP to increase by Ksh 21.9 billion. At the other extreme, growth emanating from the fisheries sub- sector would generate an increase of just Ksh 200 million.

For all the sub-sectors, due to backward and forward production and consumption linkages, total GDP would increase by more than agricultural GDP. Again, at one extreme, for every Ksh 100 increase in agricultural GDP driven by maize, there would be an additional Ksh 48 increase in non-agricultural GDP—i.e. a growth linkage ratio of 1.48. At the other extreme, the linkage ratio for fisheries would be 0.79.

Maize, livestock, traditional exports (e.g., tea and coffee), pulses and oilseeds, and horticultural crops emerge as crucial drivers of broad-based agriculture-led growth in Kenya. Commodity sub-sectors such as roots and tubers, sorghum and millet, rice and wheat, non-traditional exports (e.g., cut flowers), and fisheries generate gains that are smaller and more narrowly distributed within the economy.

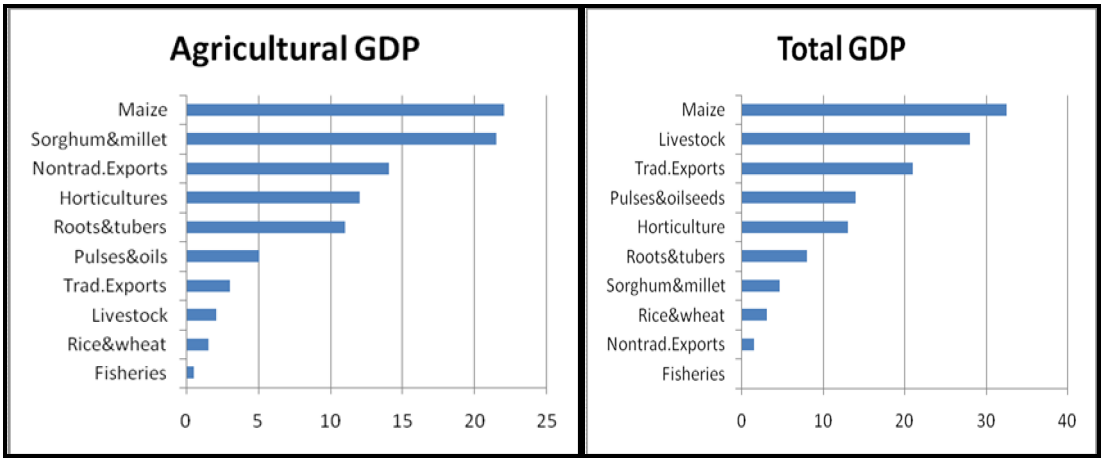

Figure 3.2: Differences in growth-generation across agricultural commodity sub-sectors

Potential for poverty reduction also varies by commodity sub-sector. Table 3.2 illustrates differences in poverty reduction from agricultural growth associated with the ASDS/CAADP growth scenario, emanating from alternative agricultural commodity sub-sectors.

Table 3.2: Poverty reduction under alternative commodity-led agricultural growth scenarios

Source of growth	Percentage change in poverty rate caused by one percent growth in agricultural GDP led by the following crops and sub-sectors		
	Incidence (P0)	Depth (P1)	Severity (P2)
Maize-led growth	-0.99	-1.04	-1.12
Sorghum &millet-led growth	-1.05	-1.11	-1.19
Rice &wheat-led growth	-1.51	-1.38	-1.48
Root-led growth	-0.55	-0.39	-0.33
Pulse &oilseed-led growth	-1.01	-0.98	-1.04
Horticulture-led growth	-0.71	-0.69	-0.71
Traditional export crop-led growth	-1.12	-1.07	-1.13
Non-traditional export crop-led growth	-0.93	-0.93	-0.96
Livestock-led growth	-0.68	-0.54	-49
Fisheries-led growth	-0.79	-0.9	-95

In general, agricultural growth driven by growth in cereal crops is more effective in reducing poverty than is that driven by other crops. Cereals are especially effective at reducing poverty amongst the poorest households. Nontraditional export crops have lower impacts on poverty than do traditional exports. Production of nontraditional export crops is geographically concentrated in parts of the country in which poverty is relatively less severe than it is in other rural areas, whereas traditional exports are grown more widely in the country, and by a larger number of smallholders.

Viewed together, Figure 3.2 and Table 3.2 identify growth in the cereals and traditional export sub-sectors are most effective in both driving growth and reducing poverty. Livestock products and nontraditional exports generate strong growth impacts but are relatively less effective in reducing poverty.

3.2.4 Agro-ecological distinctions

Kenya's agricultural sector is ecologically diverse, implying distinct growth potential in this dimension. Given the heavy reliance on rain-fed agricultural production, these distinctions are most compactly captured by differences in rainfall as follows: high rainfall areas and marginal areas, which can be further sub-divided into semi-arid lands, and arid lands (Figure 3.3).

Kenya's *high rainfall* *areas* (HRAs) cover 11 percent of the country (6 million hectares) and receive annual rainfall averaging over 1,000 mm, in one or two seasons. Farmers grow the full range of crops available in the country, including cereals, pulses, roots and tubers, fruits and vegetables, and a range of livestock. Due to high population density and associated demand for housing, commerce, and infrastructure, land units are small and

declining, averaging less than 2 ha per capita. The HRAs also have large and rapidly expanding urban centres. Changing lifestyles with more people moving to peri-urban areas and the development of expansive "green" estates is resulting in land being lost to agriculture. The promotion of peri-urban agriculture is partly aimed at countering this loss while intensification of irrigation technologies is aimed at raising productivity of the remaining agricultural land.

Kenya's *semi-arid lands* cover 21 percent of the country (slightly over 11 million hectares), receiving between 450mm and 870mm of rainfall annually. A significant proportion of the areas are used for grazing by pastoralist communities, but livelihoods in semi-arid areas are more varied than are those in the arid areas, including rain-fed and irrigated agriculture, agro- pastoralism, bio-enterprise, ranching and tourism-related activities. Access to transport, water and sanitation services is better than in the arid areas, but still poor. Pressures on land and natural resources are growing. Productivity is declining rapidly in many areas. The investment in improved water management and irrigation will reverse this trend and make them the country's food basket.

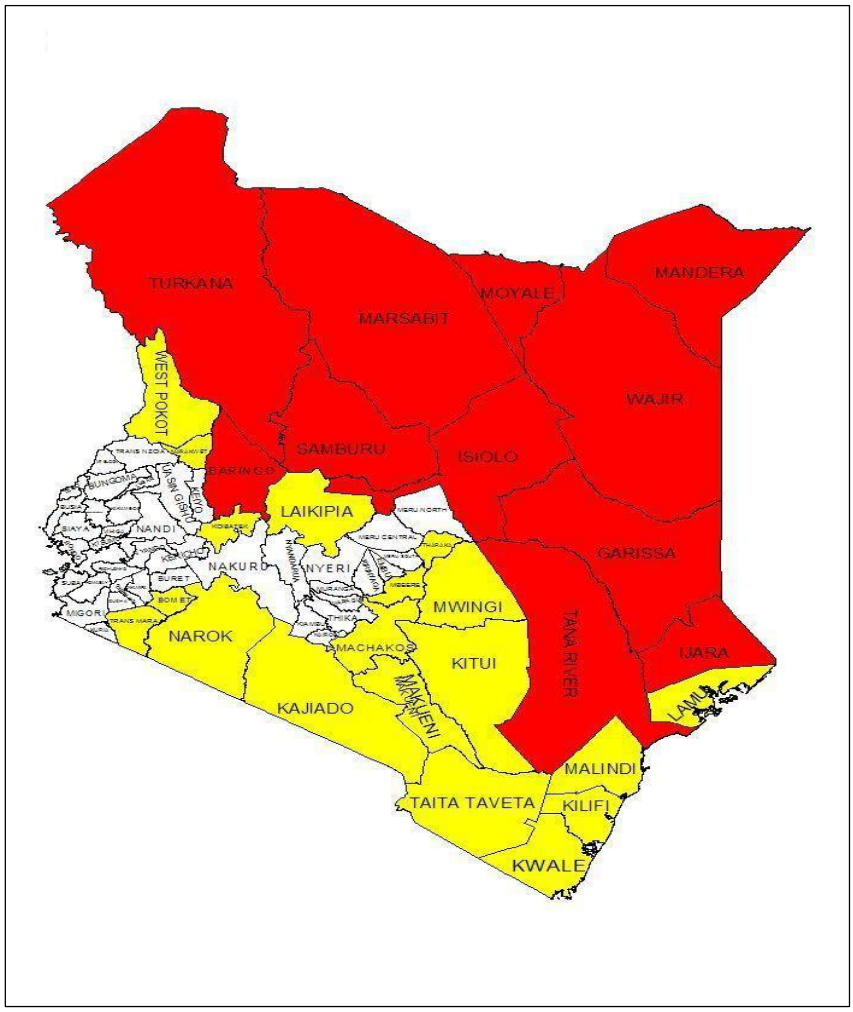

Figure 3.3: Agro-ecological map of Kenya – 1,

Key: Red = Arid; Yellow = Semi-Arid; White = High Rainfall

Annual rainfall in Kenya's *arid lands* ranges between 150mm and 450mm. These areas account for 68 percent of Kenya's land area (almost 37 million hectares). Pastoralism is the main livelihood strategy, featuring high degrees of mobility and communal management of pasture, water, and other natural resources. Under global climate change, these areas are prone to more frequent and more severe droughts and associated food insecurity, as traditional coping mechanisms break down. Access to transport, water and sanitation services is poor. For instance, nearly 43 percent of residents take more than one hour to reach water sources in dry seasons; 24 percent take more than two hours. Yet arid lands are endowed with a range of natural resources and valuable biodiversity. The development of new transport infrastructure through the LAPSSET project and the discovery of oil in this region will enhance its contribution to national growth and act as a motor for agriculture growth in the semi-arid areas owing to increased amount of food required in these emerging economic zones.

Data to examine the commodity-driven agricultural growth potential of these three rainfall-based agro-ecological zones are not available at present. However, relevant data do exist for a closely related zonation scheme, which divides the country into three zones that overlap considerably with the rainfall-based zonation captured in Figure 3.3: lowlands, midlands, and highlands (Figure 3.4).[7] This zonation scheme permits a preliminary assessment of agro-ecologically specific differences in likely sources of agriculture-led growth across the country under the ASDS/CAADP growth scenario.

[7] This zonation scheme, developed by the Kenya Institute for Public Policy Research and Analysis (KIPPRA), is based on the official agroecological map of Kenyað which divides the country into upper, central and lower highland, midland and lowland areas. In the KIPPRA scheme, districts were classified into three zones based on the most predominant zone type. For instance, Kakamega, which is 65 percent highland, 15 percent midland and 20 percent lowland, was classified as a highland district.

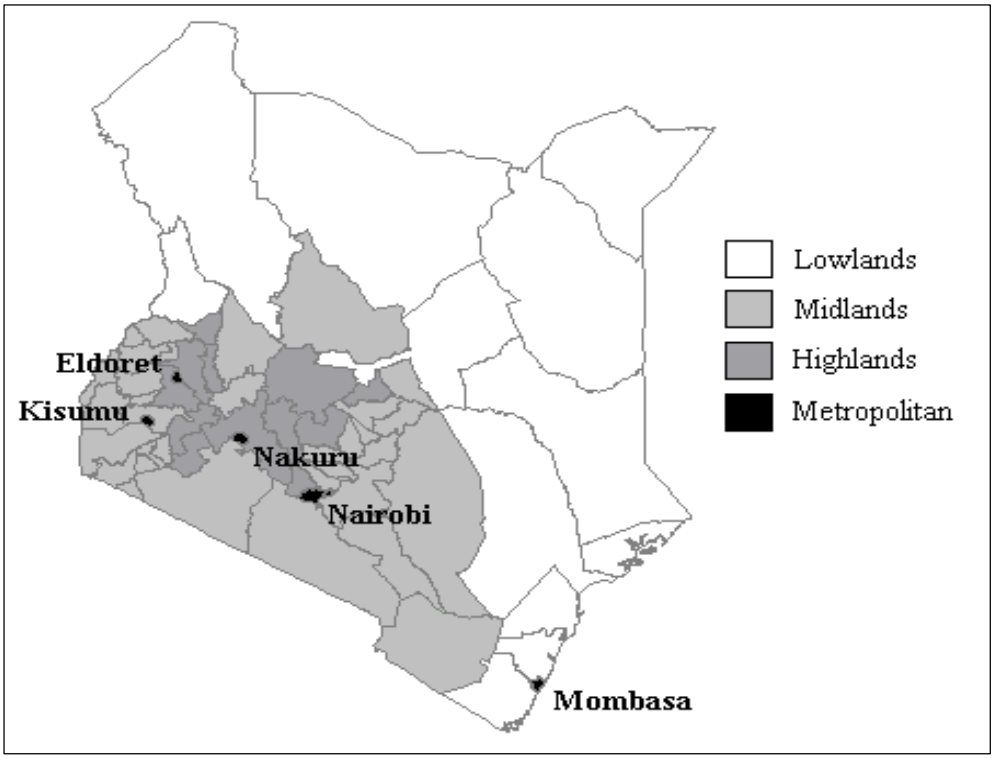

Figure 3.4: Agro-ecological map of Kenya - 2

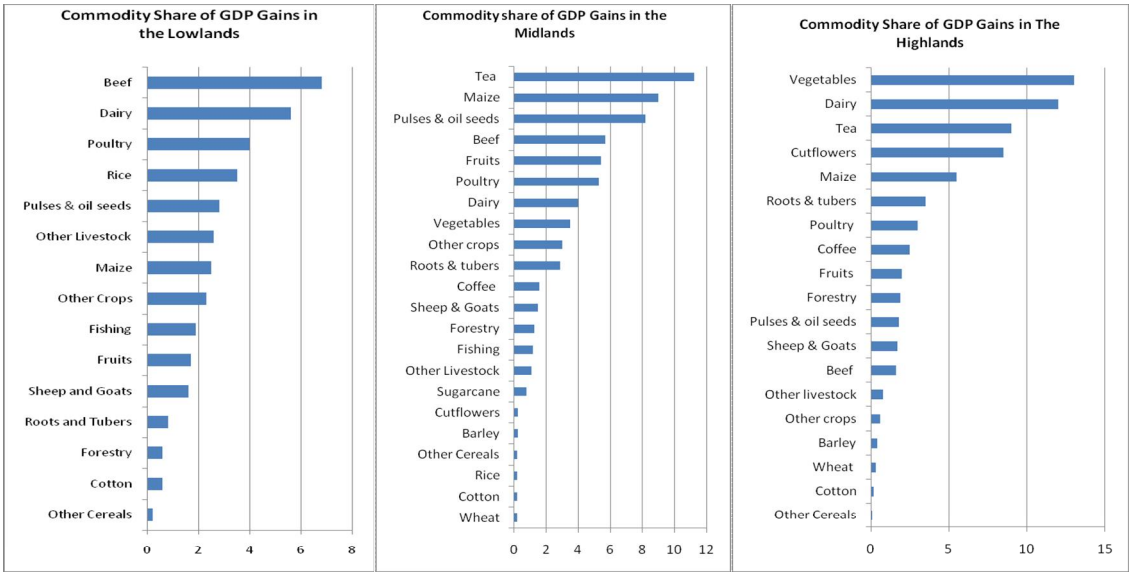

Figure 3.5: Agro-ecologically distinct growth potential for Commodity sub-sectors under the ASDS/CAADP Growth Scenarios

Livestock products dominate gains from agricultural growth in the lowlands (Figure 3.5). Other important drivers of growth in these areas include rice, pulses and oilseeds, and maize. Areas falling within the midlands are suited to a wide variety of commodities. Gains in this zone are thus driven by a correspondingly wide range of commodity sub-sectors, including tea, maize, pulses and oilseeds, livestock products, and fruits and vegetables. Growth in the highlands is dominated by high-value items, including vegetables, dairy, tea, cut flowers and maize. Maize and livestock products (especially dairy) thus feature prominently as drivers of growth in all three zones, with rice, pulses and oilseeds, vegetables, and cut flowers key in the lowlands, midland, and highlands, respectively. These distributions are indicative of potentials across the ASALs and HRAs are depicted in Figure 3.5. The factors mentioned above are expected to further strengthen this scenario.

3.3 Major Constraints

The ASDS identifies several constraints facing Kenya's agricultural sector that prevent the country from fulfilling the potential described above. These constraints, which vary with respect to commodities and regions, include the following:

i. Inadequate budgetary allocations;
ii. Reduced effectiveness of extension services;
iii. Low absorption of modern technology;
iv. High cost and increased adulteration of key inputs;
v. Limited investment capital and poor access to affordable credit;
vi. Heavy crop and livestock losses due to diseases and pests;
vii. Low and declining soil fertility;

viii. An inappropriate legal and regulatory framework;
ix. Inadequate disaster preparedness and response;
x. Multiple taxes
xi. Inadequate infrastructure; and
xii. Inadequate marketing infrastructure
xiii. Insecurity and resource-based conflicts
xiv. Global economic recession and international barriers to trade.
xv. Rapid conversion of arable land to other uses.
xvi. Availability and high cost of energy.

The second MTP for Vision 2030 has identified key challenges that Kenya will address during the period 2013-17. These challenges are:

i. Employment creation
ii. Rapid population growth and urbanization
iii. Slow implementation of reforms
iv. Achievement of remaining MDGs
v. Looming recession in industrialized economies
vi. Response to climate change
vii. Insecurity

The ASDS represents a proactive response to the constraints above, aiming to address their immediate impacts while simultaneously seeking to tackle their root causes. The investment framework put forward in the next section is similarly motivated and designed. The revision of ASDS-MTIP has considered the national challenges indicated above. In this connection, the investment programme presented in the next section is aimed not only at addressing the constraints that have hindered agricultural performance in the past, but also represents the agricultural sector contribution to the solution of the identified challenges in the medium term. The revision of the ASDS-MTIP has also taken this opportunity to give greater focus on investments that will accelerate attainment of ASDS objectives on food security, poverty reduction and sustainable management of natural resources, as well as taking advantage of the emerging opportunities.

4 Investment Framework

The framework for the MTIP 2013-17 is aligned with that for Vision 2030 MTP II. It reflects the Government's comprehensive sector-wide approach to agricultural and rural development and achievement of sustainable food security. It captures the diversity of the agro ecological zones facing sector participants. Its proposed investment areas emerge from the strategic thrusts prioritized in the ASDS and CAADP Compact. This section describes these features in detail.

4.1 Sector-Wide Approach

To exploit complementarities, eliminate duplication of activities, and reduce wastage, Kenya is implementing an inclusive and consultation-driven sector-wide approach (SWAp) to agricultural development. In the Kenya context, the agricultural sector comprises the following sub-sectors: crops, livestock, fisheries, land, water, cooperatives, environment, regional development and forestry. The sector also includes the development of arid and semi-arid lands (ASAL). These sub-sectors are represented by the following Ministries[8]: Agriculture, Environment Water and Natural Resources, Lands Housing and Urban Development.

The recent consolidation of ministries along with the establishment of AFFA and KARO under the new sector regulatory framework has resulted in significant re-organization of the functions performed by sector ministries. The devolution of authority from national to the 47 county governments will further result in a radically changed division of responsibilities between the national and local levels of government with respect to priority setting, planning and implementation of sector service delivery and programmes.

While the functions of the sector will not change, the institutional representation and division of responsibilities will change as the new county governments assume their constitutional mandates. The arrangements for the coordination and implementation of the MTIP in this new institutional context are discussed in more detail in section 6.

Kenya's agricultural sector has many actors including the Government of Kenya, bilateral and multilateral Development Partners, private institutions and NGOs. Consequently, the sector has many programmes and projects, each with a stand-alone steering committee and implementing unit. This contributes to programme duplication and overlap, multiple reporting requirements, and a waste of resources with regard to staff to oversee the sector. Furthermore, it is difficult to attribute impacts to a particular project with such a mixed scenario. The Government of Kenya has adopted a sector-wide approach (SWAp) in order to improve aid effectiveness. The application of SWAp will enable the sector to have a shared vision, facilitate priority setting, and provide the framework for coordinated responses to policy initiatives and the development of a harmonized M&E. The mechanisms

[8] Previously the sector was represented by 10 ministries some of which have been consolidated in the rationalisation of the Government in accordance with the Constitution.

and tools for application SWAp in the context of the Kenya agriculture sector are explained in Table 4.1 below:

Table 4.1: Application of Sector Wide Approach in Kenya's Agricultural Sector

Typical SWAp elements	As applied in Kenyan agriculture sector
Sector policy and strategy	Agricultural Sector Development Strategy (ASDS), derived from Vision 2030
Government coordination framework	ASDS coordination mechanism (NF, ICC, TC, ASCU, TWGs, ASDSP)
Planning and expenditure framework	ASDS Medium Term Investment Plan (MTIP)
Programme coordination framework	Included in MTIP, supported by Agriculture Sector Development Support Programme (ASDSP)
Performance monitoring system	Sector-wide M&E system being developed by ASCU
Formalized process for donor coordination and harmonization	Agriculture sector Code of Conduct, Development Partner ARD Group

4.2 Agro-ecological Priorities

Kenya has three divergent agro-ecological zones that provide the sharply different conditions that set the agricultural sector growth potential. The differences in agro-ecological potential imply different and distinct investment strategies in pursuit of the country's agricultural and overall growth and poverty reduction targets. The specific agro-ecological zones are described below:

4.2.1 High Rainfall Areas

Agricultural production in HRA is being lost to alternative land uses and uneconomic subdivision of land. One way of compensating for the lost agricultural production area will be to focus investments in the HRAs on market-driven intensification of farming systems, based largely on expanded use of existing and new technologies, improved crop and livestock husbandry, improved marketing, and enhanced natural resource management. Water harvesting and storage, feasible inter-basin water transfer for irrigation and livestock use in the Semi-arid and Arid Areas will be promoted and farmers with large farms encouraged harvesting run-off and selling the same to irrigators. Priority commodity sub-sectors will be clarified during the alignment process (see section 9 below) in consultation with county governments but likely will include fruits, pulses, vegetables, dairy, tea, coffee, cut flowers, maize, fisheries, and roots and tubers. Support to these commodities will be continued and greater participation of the stakeholder institutions. Cooperatives societies and other farmers associations are expected to increasingly take the responsibility for

inputs supply, processing, marketing and financial services.

4.2.2 Semi-Arid Lands

To compensate for the loss of agricultural land to other uses in HRA, expanded production in ASALs will be needed for attainment of food security. With irrigation, semi-arid areas will be able to contribute more food to food security and fiber production. Investments in the semi-arid lands will therefore focus on livestock development, natural resource management, improved water harvesting, storage and management for cropping, market development and value addition, and improved drought cycle management. To make irrigation in semi-arid areas feasible, investments will be made for water harvesting/storage in the HRA and inter-basin water transfers to semi-arid areas.

In the semi-arid areas there is increasing population due to migration and therefore pulses (with short growing cycle) hold the potential for increasing food security and income. Priority commodities should include livestock products, pulses and oilseeds, fruits and vegetables, roots and tubers, sorghum and millet, fiber crops and fish. New technologies will be introduced in order to promote effective participation of women and attract youth in agriculture. New technology will reduce drudgery and increase productivity and income. The increased food production will find ready markets in the planned growth areas of the LAPSSET corridor, Isiolo Resort City, ICT Konza City, Oil fields in Turkana, Coal in Kitui and other mineral development projects.

4.2.3 Arid Lands

Investments in Kenya's arid lands will focus on livestock development, land and natural resource management, and drought cycle management. Livestock and irrigated crop products will comprise the priority sub-sectors in these areas. As in the semi-arid lands, the Vision 2030 flagship projects and the new minerals development projects will attract large numbers of migrant labor from other parts of the country and will increase the demand for food in areas that traditionally do not produce food crops. Therefore in addition to promoting livestock development, increasing food production capacity through modernization and expansion of Bura, Hola, and Perkerra irrigation schemes will be prioritized.

4.3 Strategic Thrusts

Food and nutrition security is a key issue for Kenya. All key government policy documents including Vision 2030, ASDS and the MTP emphasize this issue, but above all the Constitution of Kenya under the Bill of Rights provides for the "right to food of adequate quality and quantity at all times for all". For MTIP, this is a clear mandate and requirement to give priority to food security and nutrition even as we pursue other equally important objectives of reducing poverty and generating employment. The principal thrust is to attain food security in all parts of the country. This will give Kenya the calm and security it requires for development of other spheres of national development.

To attain increased and sustained food production the country will need to reduce reliance

on rain-fed agriculture and increase irrigation based systems that allow production throughout the year and thus better responding to market demand. It will entail modernizing existing irrigation systems and adopting water saving technologies. In this connection, the government will sensitize communities on available technologies for efficient utilization of water such as drip irrigation and greenhouses as a way of enabling them to commercialize production and attain family food security. The activities of other sub-sectors will be geared towards supporting the development of a water conservation system. For instance the activities of the natural resources sub-sector will focus on increasing forest cover, catchments protection and thus water conservation which will improve ground water recharge. The livestock sub-sector will work towards increasing herd productivity and therefore obviate the need for large herds while the crop sub-sector will increase crop and forage productivity.

The Vision 2030 and ASDS propose the development of 32,000 hectares of irrigation per year till the year 2030 (total 704,000 ha. by 2030). Kenya has very limited water resources estimated at less than 300 CM^3 per capita. In order to expand irrigation to the level envisaged, the MTIP has strategized major investments in conservation, water harvesting and storage, efficient utilization technologies and recycling. Both ground and surface water resources will be harnessed.

Transforming agricultural sector to provide food security, employment and decent incomes requires more than irrigation. It will require highly productive agricultural commodities and enterprises that are competitive and commercially feasible. It will also require sustainable development and management of key factors of production and making the necessary enabling environment and adequate institutional arrangements. These issues cover several sectors and require strong inter-linkages between sub-sectors covering agriculture, water, land, industry, transport, communication and energy sectors. Hence the overall development and growth of the sector will be anchored in the following five strategic objectives or outcomes:

i. Increased productivity and commercialization;
ii. Expanded private sector participation in all aspects of agricultural development;
iii. Expanded sustainable land and natural resource management to cover water, land, forestry and wildlife resources;
iv. Improved agricultural services: credit, regulatory, processing and manufacturing institutions for efficiency and effectiveness; and
v. Increased market access, commercialization and trade.

These five ASDS outcomes define five of the six MTIP high priority investment areas. The sixth investment area relates to ensuring effective coordination and implementation of the MTIP portfolio is achieved. This overarching objective is a key priority given Kenya's sector-wide approach to agricultural development and food security enhancement. Achievement of the set "pillar outcomes" will contribute to the rapid development of the sector.

4.4. Cross-Cutting Issues

Several challenges and opportunities cut across the six investment pillars. Key among these are: policy and institutional reform, gender, food security and nutrition, youth, the role of the private sector, research and extension, climate change adaptation, and capacity development.

4.4.1 Priority Commodity Sub-Sectors

It is critical that priority commodity sub-sectors be identified, along with priority interventions within their value chains. The preliminary analysis in section 3 above indicates that a number of commodity sub-sectors—e.g. maize, livestock products, and horticulture and traditional exports— contribute significantly to both growth and poverty reduction. They provide significant employment opportunities and incomes in the rural areas. These sub-sectors require support to maintain and boost such contributions. Sub-sectors with largely unfulfilled growth - generation potential e.g. rice, sorghum and millet, fisheries, and non-traditional exports will need targeted investment to catalyze and grasp such potential. The adoption of production under irrigated conditions will greatly increase productivity and the contribution of these crops to food security.

4.4.2 Policy and Institutional Reform

The policy and institutional reform agenda facing the agricultural sector is vast and complex. Considerable progress has been made, but much remains to be achieved. The strong momentum in policy formulation established by ASCU and agricultural sector stakeholders represented on the TWGs will be maintained during the MTIP period. Especially critical will be design and implementation of a process to monitor and track the evolution of new legislation linked to the new Constitution and the County governments, aiming to identify opportunities and threats for the agricultural sector's policy and institutional reform agenda. Needless to say, the consolidation of the agriculture, livestock and fisheries ministries will necessitate a new institutional order at both national level and county levels to delayer decision making processes in order to infuse efficiency and enhance effectiveness.

4.4.3 Gender

As indicated in the ASDS, the GoK has developed a gender policy for the agricultural sector to ensure women's empowerment, and mainstream the needs and concerns of women, men, girls and boys, so that they can participate and benefit equally from development initiatives. The MTIP will promote continued progress in gender sensitization and mainstreaming in agricultural initiatives. Gender analysis and gender-based budgeting will be integrated within each of the MTIP investment pillars. Appropriate technology that reduces drudgery and facilitates participation of women and youth in agriculture including the use of ICT where appropriate will be applied. The monitoring and evaluation system will track progress toward gender equality in resource allocation and associated impacts.

4.4.4 Food Security and Nutrition

Although the performance of the agricultural sector improved significantly in the period after 2002 due to the interventions by government and development partners to improve agricultural productivity, the impact on food security situation has not improved in tandem with production. While the per capita daily supply of various food items such as cereals, proteins and fats has been steady in the last 5 years except in the period immediately after post-election political disturbances, the overall food balance sheet has weakened. Imports of food and beverages as a proportion of total imports has steadily increased from 5.4% in 2004 to 7.4% in 2010 (in 2009 food imports comprised 11.5% of total imports). During the same period, imports of wheat increased from 404,100 MT to 921,000 MT. Consequently, Kenya has progressively become less self-sufficient in domestic food production and more dependent on imports as shown in Figure 6. Some parts of Central, Eastern and Coast that were previously self-sufficient in food supply are increasingly becoming dependent on food relief. Estimates by FAO indicate that in most years, 2 to 5 million Kenyans are unable to access food of adequate quantity and variety and would require food assistance at any given time to fill the gap. This results from unfavorable weather, poverty, market failure, and socio-cultural practices**.**

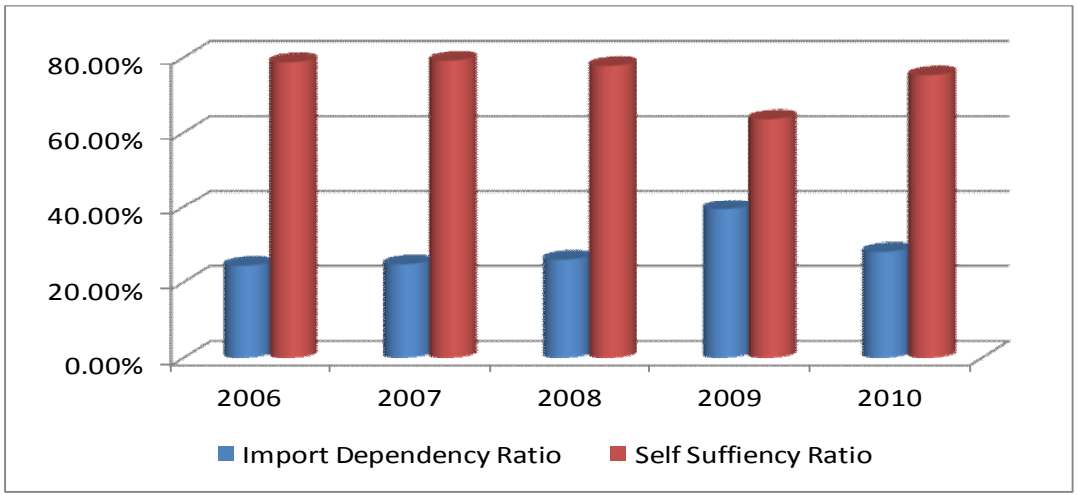

Figure 4: Food self-sufficiency and import dependency

Source: MTIP Alignment Study

In keeping with CAADP principles, the ASDS takes a comprehensive approach to promoting agricultural development and food security, including both short-term responses to the most urgent needs, and long-term development of sustainable food systems that can withstand external shocks such as economic crises and climate change. The MTIP is a contribution to the long-term agricultural development and food security agenda. Together, the investment pillars seek to enhance availability, access, and utilization of nutritious food, including activities targeted to the needs of vulnerable sections and populations.

4.4.5 Private Sector Role

Vision 2030 and the ASDS clearly articulate that provision of key public goods and services (e.g. physical infrastructure, utilities, and key research and extension functions) are the responsibility of the Government. In providing these goods and services, the GoK aims to support the activities of the private sector by creating an environment that allows them to produce the wide range of commercial goods and services on which sustainable growth, poverty reduction, and food security are based – i.e., input supply, financial services, farm production, storage and assembly, processing, distribution, and wholesaling and retailing. The MTIP is similarly framed. It also recognizes that scope exists for public-private-partnership arrangements in provision of goods and services that may be "public good' in nature but could benefit from either private sector management or capital injection. While awaiting a national legal framework to guide these kinds of arrangements, the MTIP will conduct studies to explore possible areas for PPPs in the sector. The private sector will play an important role in all six investment pillars, contributing greatly to the sector's capacity to implement the full MTIP portfolio. It will also benefit directly from targeted investments to strengthen its capacity in key areas.

4.4.6 Research and Extension

Agricultural research and extension are fundamental to the success of the ASDS and MTIP. The yield takeoffs required achieving Kenya's growth, poverty reduction, and food security targets will spring from success in development and dissemination of improved technologies and practices. The required contributions from the *research system* will encompass varietal development, development of new technologies, improved husbandry and natural resource management, and innovations in water harvesting and storage, irrigation, marketing (transport, storage, processing and finance) within priority sub-sectors. The aim will be to enhance benefits accruing to actors at different stages of value chains. Regional and international agricultural R&D bodies and institutions open scope for efficiencies linked to trans-boundary information exchange, knowledge sharing, and technology transfer and thus play key roles in Kenya's agricultural R&D framework and agenda.

The planned reforms under the NARs Act to streamline the management of the research functions under one body expected to be finalized during this MTIP period. Some of the major constraints to R&D in Kenya is financial resources and research infrastructure. To support rapid investments in research and encourage private sector to engage in research, a research fund will be established. It will provide grants for approved research under conditions to be developed. In addition, Kenya will tap into the research capacity of the many international research institutes operating in the country or have activities covering Kenya from other countries in the region as one way or reducing the financial and infrastructure constraint. These institutes particularly the CGIAR institutes will be encouraged to mainstream Kenya's research agenda into their research programme.

The *extension system* is charged with assuring broad-based diffusion of available improved technologies and practices, relying on both public and private channels.

Especially critical is enhanced access to extension services for underserved outlying areas, specialized enterprises and some sections of the population especially the youth, women and those in chronically food-insecure areas. Participation of the private sector in the delivery of extension services and the adoption of ICT based systems (E-Extension) will help bridge the extension supply gap. Recent developments and expansion of the ICT infrastructure will help this development and especially among the youths. Technical experts would develop the extension packages and upload the same on the internet or advanced phone systems for access by farmers. The system will serve to reduce the technological gaps between sections of the farming population, increase the delivery speeds of information and reduce the overall costs to the service providers as they will not need to move far and wide to provide services. Farmers can access e-extension services right in the fields as they operate in the farms. The main challenge will be the development of appropriate electronic packages.

Extension is one of the services that the Constitution has devolved to the County governments. The NASSEP Policy already foresees the participation of other non-state extension service providers in the delivery of extension services. Cooperative societies are expected to play a key role in extension service delivery for their members by engaging service providers or providing credit for procurement of extension services. Their services will be specialized and specific to the particular enterprise or commodity involved. The participation of many service providers will require maintenance of high standards in service delivery. Standards setting will be the responsibility of the ministry responsible for agriculture through the AFFA arrangements. Strong collaboration between AFFA, county governments and private sector will be needed to maintain high levels of quality. AFFA will be responsible for setting standards and counties taking the enforcement end. The burden of enforcement will be considerably eased by building capacity of producer groups for self-regulation. All these actors will require support to operate efficiently. An Extension Fund will be established to provide this support and operated under conditions to be detailed during the operationalization of the fund.

4.4.7 Climate Change Adaptation

The agricultural sector has an important role to play in Kenya's climate change adaptation agenda, as articulated in the National Climate Change Response Strategy. The MTIP investment pillars thus integrate the four foundations of successful climate change adaptation frameworks: information for effective planning and forecasting; infrastructure and management practices for climate proofing and resilience (e.g., such as flood defense and drainage systems; reservoirs, wells and irrigation channels, and soil restoration and conservation); resilience- enhancing measures for vulnerable groups; and institutions for disaster risk management, including early warning and response systems.

4.4.8 Capacity Development

Successful implementation of Kenya's sector-wide approach to agricultural development entails development of a new set of capacities at policy, organizational and individual levels. ASCU has conducted a capacity needs assessment for the agricultural sector. This study will inform the prioritization of capacity building investments in the MTIP

particularly at policy and institutional level. There is a wide range of capacity gaps identified in the study and individual ministries level. The TWGs will therefore play an integral role in prioritizing required capacity development measures in each of the MTIP investment pillars. It is important to note however, that, the overall strategy of MTIP is based on focusing resources in order to have visible and durable positive impacts. Consequently, one of the priority areas for capacity building is sector-wide approaches to planning and implementation to be centered around ASCU in order to synergize and build critical mass in the inter-ministerial projects.

Of special importance is training of producers and a critical mass of frontline hands-on service providers who will interact with them directly as plant operators, irrigation technicians and artisans etc. This will facilitate uptake of new technologies as they are passed on by researchers and extension services. This will entail building the capacity of tertiary institutions first to provide technical and vocational training (TVET) in agricultural enterprises. Activities may include curricula development, and training trainers (TOT), and piloting new ideas and concepts such as e-extension.

The other area where capacity building will be critical is coordinated planning and implementation at county level. The new governance structures will have little experience in planning and yet they will be responsible for implementation of sector programmes. ASCU could play an important role in assisting counties to set up their coordination structures which may also create a platform for linking county planning with central government policy formulation.

4.4.9 Youth in Agriculture

The average age of the Kenyan farmer is cited to be rising above 65 years while the number of young people taking up farming is declining. This is leading to a rapid decline in productivity as the older people are less productive than younger people and in addition are less likely to invest in modern technology. It is also leading to a succession problem as family farming traditions breakup. With fewer job opportunities outside agriculture many of the youths become jobless and take anti-social behavior such as heavy drinking and drugs. Capacity building for youth to take up agriculture as a business is essential through technical and vocational training in farming. Improving access to credit is vital in attracting youth to agriculture. It will also require introduction of new farming technologies that reduce drudgery, increase productivity and returns to labor. Youth polytechnics and other tertiary institutions will be supported to develop appropriate curricula for training/capacity building for youth in farming as a business. Kenya is one of the two countries selected to pilot scaling up TIVET in agriculture by CAADP AU-NEPAD.

4.5 The MTIP Results Framework

The implementation of this MTIP is organized around six pillars which also identify the priority high level outcomes for the MTIP. They provide the basis for the transformation of agricultural production in Kenya. The six MTIP investment pillars are as follows:

i. Increased productivity and commercialization
ii. Expanded private sector participation;
iii. Expanded sustainable land and natural resources management;
iv. Improved agricultural services;
v. Increased market access, competitiveness and trade; and
vi. Effective agricultural sector coordination and implementation achieved.

These six pillars have been defined and organized into a Strategic Results Framework (SRF) to measure sector performance and results. The SRF draws on the pillars (high level outcomes), sector wide approach, strategic thrusts and cross cutting issues discussed in the previous sections to form a logical set of cause and effect relationships as shown Figure 4.5.

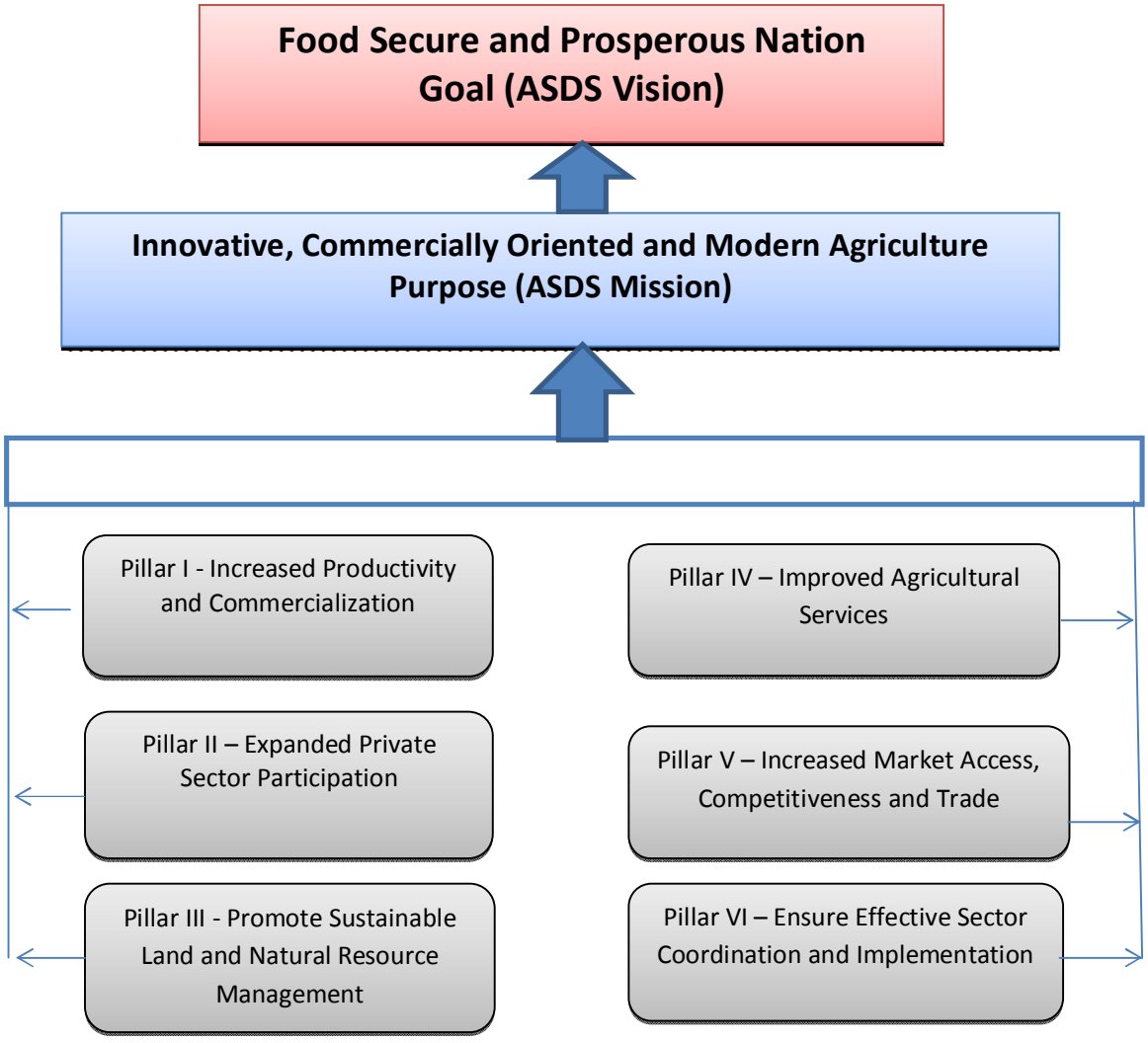

Figure 4.5: MTIP Strategic Results Framework

The SRF is an important tool to understand the change processes that is required for agricultural sector development in Kenya. At the highest levels of achievement the Strategic Results Framework draws directly from the ASDS for its goal and purpose. The MTIP pillars are high level results. With strong causal relations in the SRF established, achievement of one level of objectives leads to attainment of the next higher order of objectives. That the framework is grounded in cause-and-effect logic facilitates analytical thinking and helps gain clarity around key objectives and sector development. Yet, the framework is not only based on development logic but also draws on the ASDS and other analyses, development policies and theories, and the expertise and knowledge of sector stakeholders in the public and private sector. Ultimately it sets the foundation for the medium term investments in the agricultural sector.

Further Development of the Strategic Results Framework

The Strategic Results Framework needs further development. Outcomes, outputs and inputs are the next lower levels of the Framework and their development will come through consultation and implementation of the MTIP. The consultation will provide an opportunity to build essential consensus and ownership around a common Framework. The consensus must emerge among the private and public sector, county and national government actors and across the technical specialties supporting a sector-wide-approach. With agricultural services and implementation devolved to the counties, county government and stakeholder buy-in and ownership of the SRF and data collection are essential to establish a nation-wide system to report on agricultural development and compare relative performance at the county level. The way forward for a national sector-wide agricultural monitoring and evaluation system also must now look to the new county governments for the next level of consultations.

Initial stakeholder consultations yielded a set of supporting outcomes for each of the six investment pillars and are presented in Annex I. These supporting outcomes represent general pillar level objectives under which a set of government and partners related investments, programmes, projects or specific interventions will fit. In the context of the Strategic Results Framework, these outcomes are the next level down from the pillar outcomes and have a causal link to achievement of the pillar outcomes. The range of activities is necessarily wide, reflecting the breadth of coverage required by the sector-wide approach. In some cases, activities cover existing programs while in other cases they are prospective or new.

The SRF will contribute to multiple sector-wide objectives. First, it operates as an effective communication tool as it succinctly captures the elements of the sector wide approach. Further it provides the results and set of indicators needed to design and implement a robust monitoring and evaluation system. Information from the performance monitoring and evaluations will be used and fed back to revise and develop the SRF itself. The M&E

system is critical to compare county performance. Finally the design of individual programs and the selection of their inputs, outputs and outcomes will be driven by the SRF. Harmonization of programs by the counties, development partners and other investors is facilitated through the use of the Strategic Results Framework for investments.

Selection of Indicators at the National and County Levels

An important part of Strategic Results Framework's development and successful use is the selection of appropriate, cost effective indicators to measure progress toward the Framework's objectives. The first step in the indicator selection process is the inclusion in this MTIP of a set of national indicators that will be used to measure high level outcomes at the county and national level. The indicators build from existing data/information systems and generally can be used to gather data at the county level. It is important to remember that to build a robust performance and results oriented M&E system will be a long-term process. In the first years the learning on M&E from previous years' experience will be significant. This means that some indicators and outcomes may change. Thus, the indicators included in the MTIP are subject to further learning and development of the SRF.

The ASDS sets out some indicators and targets to measure vision and goal level achievements of the strategy.

Table 4.5 below presents a list of the ASDS specified indicators as well as other high level outcomes with indicators that came from initial consultative processes with agricultural sector key informants. Again, these indicators will be tested in the first years of the SRF and adjusted as required. County level government staff and stakeholders will begin to build and shape their county frameworks which include the high level outcomes and these indicators but will add the supporting details at the outcome, output and input levels appropriate to their county based agricultural programs and needs.

Table 4.5: Agricultural Sector-Wide Indicators

	Indicators	Comments
Goal Level: Prosperous Nation, Food Secure and Modern Agriculture	1. Proportion of people living below the absolute poverty line	An ASDS established indicator with a target of less than 25%
	2. **Reduced number of food insecure individuals**	An ASDS established indicator with a target of a 30% reduction
	3. Change in Agricultural sector growth	ASDS sets a yearly target of 7% (Seek to measure by county and nationally)

	4. **Agricultural sector contribution to GDP**	An ASDS established indicator
	5. Food Production Index - area, production and yield data for major crops, livestock and fishery production by county and nationally	The MOA collects much of the crop and livestock data already and makes it available at FAOStats.
	6. Prevalence of stunted children in rural areas by county and nationally	This is a standard food security measure.
	7. Public spending in agricultural sector as a percentage of GDP from agriculture	County level data will need to be developed and collected.
	8. Public sector expenditure in agricultural sector as a percentage of total public sector expenditure	County level data will need to be developed and collected.
Pillar I: Productivity & Commercialization	9. Change in yields of major crops – nationally and by county	
	10. Value and percent change in value added by major crops, livestock and fisheries	County level data will need to be developed and collected.
	11. Expanded area under irrigation	Data will be collect nationally and by selected counties with irrigation development
	12. Proportion of total small holder crop production that is marketed	Sample survey required
Pillar II: Private Sector Participation	13. Change in sales by selected types of agro enterprises	Sample survey required
	14. Number and percent change in members of agricultural associations by sub-sector	
Pillar III: Sustainable Natural Resource Management	15. Proportion of land under sustainable natural resource management	Key is to establish and consistently use the same definition of sustainable natural resource management
Pillar IV: Agricultural Services	16. Indicators of access, use and satisfaction with respect to services related to crop and livestock production practices, improved technologies and inputs – public/private breakouts by county and nationally	This is an early outcome indicator which will require a farmer/herder survey and outreach measurement of a set of selected high impact production practices, improved technologies and inputs. The finding should bear on both

		the extension and research services.
	17. Value and number of agricultural loans and farm production based insurance	Financial service indicator
Pillar V: Markets, Competitiveness and Trade	18. Change in consumer price Index for food	Measured nationally
	19. Change in agricultural exports and imports for selected agricultural commodities	Measured nationally
	20. Change in rank on Ease of Doing Business Index	
	21. Change in terms of trade	
Pillar VI: Sector Coordination	22. Change in Sector Coordination Measurement Index	A new index will be established to look at coordinated and improved agricultural sector wide planning, budgeting and support.

A baseline will be needed for all indicators. Existing M&E systems provide data for most of the indicators that will be used for the baseline, but some new surveys will be required. Once the indicators and baselines are selected, targets for each indicator and for a specific time frame will then be set for the indicator to track results over the life of the strategy.

County based data collection is an important immediate need that will require capacity and system building assistance to the county. Also, many of the indicators listed in the Table 4.5 will need to be disaggregated by gender, youth and diversity dimensions to ensure equity in the distribution of the results and benefits in the agricultural sector. Attached as Annex II is an initial set of supporting outcomes and indicators that is essentially the next layer down in the causal relationship that makes up the strategic results framework for the Kenya agricultural sector. These lower level outcomes relate to the program implementation and service delivery that counties will administer and as such are the starting point for county deliberations to identify its portion of the results framework. The central government sets the standards for cross county comparisons of agricultural results harmonizing the different indicators, outputs and inputs among the counties. The process of identifying inputs and outputs to support outcomes will be a central feature of a county's strategic work.

Pillar 1: Increasing Productivity and Commercialization

Background - Past production and food security challenges, changing land use systems, impact of climate change on agriculture, fisheries, livestock and forestry production, impact on individuals, government budgets, security and development.

Objective - This investment pillar aims to promote market-led sustainable productivity growth in priority crop, livestock, marine, fishery and forestry sub-sectors that contribute directly to food security. This furthers the ASDS objective to develop a modern market-oriented agricultural sector.

Rationale and Prioritization Criteria - Average yields of major commodities in Kenya stand well below potential, with yield gaps ranging between 150 percent and over 260 percent. Proven yield-increasing technologies and practices exist but are often not being adopted, or, when they are, not at rates required for rapid productivity growth. Activities that reduce costs and enhance benefits of uptake and utilization of improved inputs and practices will therefore be promoted, aiming for self-sustaining processes of technological advance. Activities that feature strategic combination of technical improvements with institutional innovations will be emphasized, aiming to build robustness into technologies through integrated systems—e.g., in pest control, soil and water management, agro-forestry, and crop–livestock interactions. Where necessary and feasible, physical infrastructure will be developed or rehabilitated/modernized, including irrigation and water conservation structures in the ASALs. Promising management platforms that bundle together soil improvement, new crop and livestock varieties, intensified input use, and farmer collective action in value chains will be supported. Such platforms—which are fundamentally cross- sectoral in design and implementation and thus fully congruent with the sector-wide approach—are revealing potential for increased incomes, improved sustainability of farming systems, and adaptation to a range of market conditions and agro-ecologies. Transformation and intensification of agricultural production through improved water management has the potential to increase productivity over a small area and short time. Institutional innovations in input supply and post-harvest handling and processing can have powerful impacts on farm productivity and competitiveness and thus will receive support.

The primary objective of the ASDS is to increase agricultural productivity in a sustainable manner and thus assure the population of a stable food supply and increasing employment opportunities for a growing population. These aspirations are the same as those of the CAADP programme under the Maputo Declaration. The country has frequently experienced severe food shortages necessitating food relief imports. This has continuously increased in

frequency and severity and has become an almost annual occurrence. Food imports deny the country and the people scarce investment resources as savings are applied to import food.

ASDS has identified food insecurity as critical to the development of the agriculture sector and the country. It has also identified several other factors that are paramount in the development process. One such factor is the distribution of rainfall, which determines the growing conditions across the country. Generally the rainfall pattern divides the country into three distinct areas: the High Rainfall Areas (HRA), The Semi Arid Areas and the Arid areas. The last two categories make up 80% of the land area of the country and is currently the net recipient of huge migrant population from the HRA areas. With appropriate production techniques these areas can provide increased amounts of agricultural food and livestock products for the increasing population.

It is noted that a number of large projects under the Vision 2030 are located in the Arid and Semi-Arid Areas. These include the LAPSSET, Konza ICT City, Isiolo Tourist Resort City, Turkana Oil fields and the Kitui Coals Mines. These areas will attract large high income populations and therefore attract proportionately high volumes of food items when developed. This may result in changes in the traditional flow of food to the existing large cities and thus result in further food supply constraints to Nairobi, Mombasa, Kisumu, Nakuru and other large towns.

Challenges **-** Asia's Green Revolution took place within the context of irrigated specialized agriculture, stabilized prices, public provision of subsidized inputs, assured markets for farm outputs, and cheap credit. In contrast, Kenya must achieve a largely market-led agricultural transformation within a context of mostly rain-fed and highly diversified smallholder agriculture, high-cost agricultural input and output marketing, volatile prices, inefficient land, labor and credit markets, and a vibrant but relatively low-capacity private sector. This needs to change. Population and therefore demand for food is growing rapidly necessitating food imports to bridge the supply gap and prevent mass starvation with attendant consequences. There must also be a corresponding increase in job opportunities for that growing section of the population who cannot subsist on agriculture (expansion of industrial, trade and service sectors). This points to the transformation of agricultural production from a primarily rain-fed production system to a managed system based on water management. This must be done quickly.

Relevant CAADP Pillars **-** This investment pillar cuts across all four CAADP Pillars but is most strongly linked to CAADP Pillars II and III.

Policy Agenda - The policy framework required for successful design and implementation of programs and activities under this Pillar is largely in place. Two important policy

processes underway relate to gender and agribusiness development and competitiveness. These will require strong engagement and support by relevant TWGs.

Targets

- Increases in annual growth rates of at least 2.5 percent in priority sub-sectors by 2017 (base = 2010)
- Within two years a national survey is completed mapping out all areas suitable for construction of national and county level dams.
- At least 5 dams are designed at the national level, funded and construction initiated by the end of the year 3.
- Each county identifies and designs 2 dams and construction starts in year 4 of this MTIP,
- At least 20 on-farm dams/pans are designed for farmers in each county and constructed by farmers every year.

Activity Areas **-** Activities in this investment area will be agro-ecologically-specific. They are listed below but given in details in the Budget Tables attached:

In High Rainfall Areas

- Promoting technical and institutional innovations in farm input supply
- Promoting more intensified use of improved farm inputs
- Promoting improved post-harvest management
- Intensifying crop and livestock extension services
- Promoting conservation agriculture
- Promoting rainwater harvesting technologies on farms/house hold
- Promoting water recycling
- Providing irrigation kits to food insecure households
- Promoting agro-forestry and forestry development especially over hills and water towers,
- Intensifying crop and livestock disease and pest control
- Promoting water harvesting, storage and greenhouse technologies
- Accelerating development of fish farming
- Promoting improved management of inland fisheries resources

In Semi-Arid Lands

- Strengthening drought early warning systems
- Promoting conservation agriculture
- Promoting agro-forestry and expansion of areas under forest cover,
- Promoting improved post-harvest management
- Developing and multiplying seeds for drought tolerant crops especially pulses that hold the potential for increasing food security and income

- Promoting improved water harvesting and storage (large national and county dams and on-farm storage,
- Promoting water recycling
- Rehabilitating existing irrigation infrastructure and modernizing irrigation systems
- Expanding irrigation infrastructure and schemes
- Promoting rainwater harvesting technologies on farms/house hold
- Providing irrigation kits to food insecure households
- Intensifying crop and livestock extension services
- Developing livestock feed reserves especially under irrigation,
- Expanding vaccination and animal disease prevention and control
- Restocking where loses occur as a result of drought,
- Developing disease-free zones to facilitate livestock trade.

In Arid Lands

- Strengthening drought early warning systems
- Intensifying livestock extension services
- Improving livestock marketing infrastructure
- Promoting livestock marketing groups
- Expanding vaccination and animal disease prevention and control
- Restocking where loses occur as a result of drought,
- Promoting rain water harvesting technologies on farms/house hold
- Providing irrigation kits to food insecure households
- Developing livestock feed reserves under irrigation and private sector suppliers,
- Developing disease-free zones
- Expanding irrigation infrastructure and extension services
- Promoting improved water harvesting and storage
- Promoting water recycling
- Consideration of Inter-basin water transfers to support irrigation

General **-** Establishing and implementing an Irrigation Development Fund. Other activities and budgets are detailed in the Costs Tables.

Key Actors

- ASCU
- All TWG
- All 10 sector ministries
- Relevant private sector associations
- Research and extension systems

Pillar 2: Promoting Private Sector Participation

Objective **-** This investment pillar aims to improve incentives for private investment in the agricultural sector, spanning the whole agricultural value chain. This furthers the ASDS objective to encourage growth of agribusiness, improve access to inputs, financial services and credit, markets and empower farmers.

Rationale and Prioritization Criteria **-** The ASDS calls for privatization of state corporations dealing with agricultural production, processing, and marketing. Recent experience suggests that such divestment is necessary for improved private incentives in affected agricultural sub-sectors, but it is generally not sufficient to draw significant private investment into areas in which such investment has been lacking. Activities that equip agribusiness firms to overcome the wide range of physical, financial, institutional, and human resource constraints on investment in agriculture that are both privately profitable and socially efficient will therefore be prioritized. Especially critical will be activities that raise returns to value addition in commodity supply chains, since scope for profitable value addition is the key determinant and reflection of agribusiness development. Improved access to finance and technology for input supply, farm production, storage and assembly, processing, distribution, and wholesaling and retailing will be supported. Capacity development for farmer organizations and local artisan service providers and private sector associations will be a priority, including support for feasibility studies, development of business plans, produce-price negotiations, marketing and market linkages, technology maintenance and policy engagement. Enterprises offering quality agribusiness development services will be supported. Where appropriate and feasible, public-private partnerships in improvement and financing of these critical value-chain activities will be supported.

Challenges **-** Scope for profitable value addition in Kenyan agriculture is severely limited by the large share of final prices consumed by processing and marketing costs, due to the rudimentary product transformation technologies employed by farmers and other value chain participants. Traditional methods of adding values are often time consuming and labor-intensive and mostly carried out manually, because small-scale actors do not have adequate capital to mechanize. Further, the bulk of Kenya's agricultural private sector is systematically excluded from formal financial systems. Farmers, traders, and processors seldom possess the assets or records to qualify for bank loans. They must therefore generate working capital from internal sources, greatly increasing their risk exposure. Lack of micro-level finance in Kenyan agriculture reflects a larger phenomenon of limited macro-level finance for the sector. Most Kenyan banks structure their lending to agriculture in

favor of high-value enterprises, typically targeting production for export markets—e.g., coffee, tea, and horticulture—leaving the rest of the sector under-served.

Relevant CAADP Pillars - This investment pillar is most strongly linked to CAADP Pillars II and III.

Policy Agenda - Completion of a policy framework for agribusiness development and competitiveness is critical. Also important is design and implementation of a strategy for private sector development in the agricultural sector.

Targets

- Divestiture in all state corporations dealing with agricultural production, processing and marketing complete by 2017
- 50 percent reduction in the cost of doing business in the agricultural sector by 2015 (base = 2010)
- 50 percent increase in the value of commercial lending to the agricultural sector by 2015 (base = 2010)

Activity Areas

- Developing and implementing a private sector development strategy for the agricultural sector
- Operationalizing the Innovation Fund for Agriculture and Agribusiness
- Strengthening capacity of agricultural private sector associations in program design and implementation, and policy engagement
- Strengthening farmer organizations
- Divesting in state corporations dealing with agricultural production, processing and marketing
- Improving tracking of official targets for commercial lending to the agricultural sector
- Rehabilitating rural access roads
- Rehabilitating rural marketplaces
- Developing modalities/programmes for public-private partnerships for expanded value addition-storage/warehousing and handling, refrigeration, processing
- Expanding access to financial services - savings, credit, insurance
- Enhancing business skills of small-scale farmers and traders

Other activities and budgets are detailed in the Costs Tables.

Key Actors

- ASCU
- TWGs: Food Security and Nutrition; Agribusiness and Financial Services; Legal, Regulatory and Institutional Reforms
- All sector ministries
- Private sector associations
- Commercial banks and other financial institutions
- Research and extension systems

Pillar 3: Promoting Sustainable Land and Natural Resources Management

Objective **-** This investment pillar aims to ensure preservation, rehabilitation, and protection of key land and agriculture-related natural resources. This furthers the ASDS objective of improved management of key factors of production.

Rationale and Prioritization Criteria **-** Kenya's *high-rainfall areas* cover only 11 percent of the country's land area but are home to 80 percent of the population. Such high population density typically implies continuous cultivation, which, alongside inadequate/inappropriate crop and livestock husbandry practices, leads to loss of biodiversity and widespread land degradation, most notably soil nutrient depletion and soil erosion. Under lax enforcement of land-use regulations, water catchment areas and wetlands are being encroached upon and converted into agricultural land (cultivated land), leading to massive destruction of vegetative cover. In many areas, river levels have fallen precipitously, seasonal streams have dried up, and fragile ecosystems have been destroyed. In other areas, higher runoff rates have led to increased flooding and loss of valuable topsoil, cutting sharply into productivity. Activities that promote sustainable management of land and other agriculture-related natural resources under growing population pressure will therefore be prioritized, including strengthened enforcement of land use regulations in threatened areas.

Population densities are lower in Kenya's expansive *arid and semi-arid lands*, but these areas are ecologically fragile. The agro-pastoral and pastoral livelihoods that dominate these areas are threatened by a potent combination of more frequent and intense droughts, on the one hand, and severely degraded soil, water, and forage resource bases, and declining overall productivity, on the other. Activities that promote diversification of livelihood options, leading to enhanced resilience will be supported, as will be improved public management of drought risks.

Throughout the country, where necessary and feasible, physical infrastructure to enhance resilience and promote rehabilitation of degraded natural assets will be developed and rehabilitated. Knowledge about the impacts of climate change will be enhanced, leading to development and dissemination of context-specific options for climate change adaptation.

Consideration will be made for Inter-basin water transfers to support irrigation.

Challenges **-** Climate change is acting as a multiplier of existing threats to productivity growth and food security. Natural disasters brought on by droughts, floods, and storms are becoming more frequent and intense; land and water resources are becoming more scarce and difficult to access, and therefore making increases in productivity harder to achieve. Security threats in the form of livestock thefts after drought periods and inter-tribal clashes are also interfering with traditional migrations thus causing range overuse and forcing some pastoralists to turn to farming along traditional dry seasonal reserve grazing areas. Such cultivation denies some livestock herders access to water and dry season grazing resulting in armed conflicts. The spread of small arms across the arid areas is also a major challenge. These new drivers of vulnerability are combining with older ones (such as food market instability) to threaten growth and render increasing numbers of Kenyans vulnerable to food insecurity.

Relevant CAADP Pillars **-** This investment pillar is most strongly linked to CAADP Pillars I and III.

Policy Agenda - Strong implementation of the National Climate Change Response Strategy and the National Land Policy and maintenance of security, peace, law and order are critical to success of activities in this investment pillar. The National Environment Policy must be enacted and implemented.

Targets

- Legal and regulatory structures for protecting land and agriculture-related natural resources rationalized, harmonized and enforced by 2015
- All degraded land and agriculture-related natural resources identified and mapped by 2015
- At least 5 major new programmes for rehabilitating/reclaiming degraded land and agriculture-related natural resources commenced by 2015

Activity Areas **-** Activities in this investment area will be agro-ecologically-specific.

In High-Rainfall Areas

- Strengthening and enforcing existing conservation-oriented land-use and zonation laws
- Rehabilitating degraded and depleted land and water resources
- Protecting threatened water catchment areas and expanding forest cover on common land/hills

- Promoting rain water harvesting technologies on farms/house hold
- Providing irrigation kits to food insecure households (value?)
- Promoting agro-forestry on farms
- Promoting bio-energy technologies
- Increasing awareness of climate change impacts and promoting viable adaptation strategies

In Semi-Arid Lands

- Strengthening drought risk management and early warning systems
- Rehabilitating and modernizing existing irrigation infrastructure
- Expanding irrigation infrastructure to new areas,
- Constructing multi-purpose dams for water harvesting (National and County)
- Promoting low cost water harvesting technologies and water application systems
- Promoting conservation agriculture
- Promoting agro-forestry
- Promoting rain water harvesting technologies on farms/house hold
- Providing irrigation kits to food insecure households
- Increasing awareness of climate change impacts and promoting viable climate change adaptation strategies
- Diversifying livelihoods and expanding income generating opportunities for vulnerable and food insecure populations

In Arid Lands

- Strengthening drought risk management and early warning systems
- Constructing multi-purpose dams for irrigation
- De-silting old pans and dams
- Promoting community-based rehabilitation/development of strategic water reserves
- Promoting rain water harvesting technologies on farms/house hold
- Developing livestock feed reserves
- Promoting Livestock Marketing and trade
- Increasing awareness of climate change impacts and promoting viable climate change adaptation strategies,
- Providing irrigation kits to food insecure households
- Diversifying livelihoods and expanding income generating opportunities for vulnerable and food insecure populations
- Promoting security and conflict prevention
- Other activities and budgets are detailed in the Costs Tables.

Key Actors

- ASCU
- TWGs: Environment, Sustainable Land and Natural Resources Management; Agribusiness, Marketing and Financial Services

- All sector ministries
- National Environmental Management Authority
- Research and extension system

Pillar 4: Improving Agricultural Services

Objective **-** This investment pillar aims to promote efficient and effective agricultural services delivery in Kenya. This furthers the ASDS objective to establish an efficient agricultural research system, improve the agricultural extension system, inputs supply and financial services in line with the devolved governance structures.

Rationale and Prioritization Criteria **-** Sustained growth in agricultural productivity in Kenya depends on development of appropriate technologies by the research system, existence of cost effective systems for farmer access to these technologies and associated crop and natural resource management systems, correct incentives for private actors to invest in development and delivery of these new technologies and practices, and appropriate priorities for public sector provision. Investments that make Kenya's agricultural research system more relevant and responsive to farmer and trader demands will therefore be prioritized. Technical and institutional innovations that promote technology acquisition and exchange within the Eastern and Central Africa region under the framework of ASARECA will be strengthened. Also prioritized will be activities that render the extension system more pluralistic, and a range of related services (especially finance) more affordable and accessible. Efforts to strengthen private delivery of agricultural services will be supported, alongside more effective and efficient public delivery, including continued reform of legal and regulatory regimes governing public systems. County service delivery systems will be established and supported. Key activities in this connection will include building capacity for TIVET in tertiary institutions, collaborating with universities to develop ***e-extension packages*** in order to cut costs and broaden the reach of extension services and also make agriculture attractive to the youth. Cooperatives societies will be encouraged and supported alongside other private sector stakeholders to serve as outlets for inputs, technology innovations and feedback loops to researchers and savings and credit services.

Challenges **-**Markets and investments by the private sector have been major drivers of technical change in Kenya's high-value agricultural sub-sectors—e.g., dairy, horticulture, and cut flowers. There has been less success for food crops. Private delivery of technologies based on increased use of improved inputs has also met with mixed success, largely due to underinvestment in distribution systems for key farm inputs (e.g., seeds and fertilizer) in smallholder areas. Liberalization of input markets has seen incomplete penetration by traders into smallholder areas. Experiments with private and NGO input delivery in smallholder areas reveal that such initiatives typically require a

subsidy to cover a range of transaction costs. Especially critical are gaps in financial services for agricultural production and trade, inadequate processing capacity near production areas and poor state of access roads to production areas. These will be the functions of the private sector and the cooperatives.

Relevant CAADP Pillars - This investment pillar is most strongly linked to CAADP Pillar IV.

Policy Agenda - The key outputs relate to full implementation of recently completed National Agricultural Sector Extension Policy, the National Agricultural Research System Policy, the newly enacted AFFA Act, Crops Act, and Kenya Agricultural Research Act, the review of the Cooperatives Act as well as implementation of the provisions of Constitution of Kenya with regard to devolution of services to counties.

Target - 100 percent increase in farmers and traders with ready access to affordable agricultural extension services by 2017 (base = 2013)

Activity Areas

- Establishment and operationalizing the Agriculture, Fisheries and Food Authority
- Establishing and operationalizing the Research Fund
- Establishing and operationalizing the Agricultural Extension Fund
- Establishing Kenya School of Agriculture
- Establishment of Kenya Agricultural Research Organisation
- Facilitating establishment and capacity building of County Service delivery units
- Promoting self-regulation among stakeholders and their organizations
- Developing and enforcing food safety and standards
- Promoting cost-effective private sector delivery of agricultural services
- Developing and promoting E-extension (including e-extension packages)
- Reforming agricultural finance institutions
- Operationalizing the Agricultural Innovation Fund
- Other activities and budgets are detailed in the implementation Matrix.

Key Actors

- ASCU
- TWGs: Research and Extension; Legal, Regulatory and Institutional Reforms
- All sector ministries (or their successors)
- Stakeholders
- Financial Institutions
- Ministry of Finance
- KARO and AFFA
- Relevant private sector associations.

Pillar 5: Increasing Market Access, Competitiveness and Trade

Objective **-** This investment pillar 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.

Rationale and Prioritization Criteria **-** Experience in Kenya has shown that large increases in agricultural productivity without marketing improvements can lead to localized gluts, which drive down prices and cause farmers to abandon new technologies. With more efficient markets, any increase in production is distributed more widely, resulting in smaller reductions in farm-gate prices and more stable consumer prices. More efficient markets benefit both net sellers and net buyers of food in Kenya. Net sellers face lower barriers to market entry and have greater incentives to produce and sell surpluses. Net buyers (especially those in Kenya's burgeoning urban areas) face lower food prices and thus greater access to food supplies. With sufficient support and correct incentives, net food buyers can become net sellers. Interventions that lower marketing costs, improve market functioning, and provide reliable outlets for farm produce will therefore be prioritized. Activities that reduce price volatility and increase the dependability of markets as reliable sources of affordable food will also be supported, including interventions to improve food safety and quality (especially related to aflatoxin contamination) and nutrition awareness. Measures that support more effective farmer organization in markets will be supported.

Kenya is a major trader of agricultural goods. While agriculture dominates Kenya's exports, there is unmet potential to increase exports, both within the region and internationally. As a net importer of many foods (including the main staple, maize), Kenya's access to external sources of food is critical, especially given increasingly unstable domestic output. Kenya's role as a major agricultural exporter and importer within the region is critical, not only to its own prospects for growth, but also for those of its neighbors with whom it trades. 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.

Challenges **-** Kenya's agricultural markets are fraught with difficulties: major capital and infrastructural constraints on their development; very high transaction costs, especially in smallholder regions; limited and asymmetric market information; weak coordination between buyers and sellers; inadequate trade financing; weak smallholder market power; high risk; and (as a result) several non-competitive elements. A number of non-tariff barriers to movement of agricultural commodities within the country raise costs further. Agricultural markets in Kenya thus do not always function in the best interests of a broad

cross section of society, especially in areas where communication and transportation facilities are poor and access restricted. Highly unequal financial bargaining power is often brought to exchange relationships between seller and buyer.

Relevant CAADP Pillars **-** This investment pillar is most strongly linked to CAADP Pillar III.

Policy Agenda **-** The National Food Security and Nutrition Policy must be enacted and fully implemented. Efforts to promote regional economic cooperation and market integration must continue.

Targets

- All non-tariff barriers to domestic and cross-border movement of food dismantled within the course of MTIP
- 50 percent increase in the volume of agricultural exports by 2017 (base = 2013)
- 50 percent reduction of the average within-year fluctuation in the price of maize by 2017 (base = 2010-2013)
- 50 percent reduction in average farm-to-market transaction costs by 2017 (base = 2013)

Activity Areas

- Strengthening marketing grades and standards
- Strengthening enforcement of food safety regulations
- Reducing barriers to domestic, regional and international trade in food commodities
- Harmonizing regulations governing regional trade in food commodities
- Developing and promoting low-cost post-harvest technologies
- Strengthening farmer cooperative capacity in post-harvest grain management, processing, marketing and financial services,
- Increasing business skills of farmer cooperatives
- Leveraging public food procurement for pro-smallholder market development
- Constructing/rehabilitating rural and urban marketplaces
- Increasing transparency and predictability in the management of the Strategic Grain Reserve
- Other activities and budgets are detailed in the Costs Tables.

Key Actors

- ASCU
- TWGs: Food Security and Nutrition; Agribusiness, Markets and Financial Services; Legal, Regulatory and Institutional Reforms
- All sector ministries (or their successors)
- Ministry of Trade and Industry
- Ministry of the East African Community
- Relevant private sector associations

- Regional Economic Communities
- Research and extension systems

Pillar 6: Promoting Effective Sector Coordination and Implementation

Objective **-** This investment pillar 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.

Rationale and Prioritization Criteria **-** Kenya's sector-wide approach to agricultural development and food security enhancement implies high demands for coordination, cooperation, and communication within the sector, with the Counties and for advocacy and linkage with other sectors. Activities will therefore focus on strengthening and streamlining the policy, institutional, and management requirements of successful implementation of that approach. National, County and Sub-sectoral programs will be aligned with policies developed for the sector. Cross-cutting sector-wide programmes 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. Monitoring and evaluation will be broad, deep, and unified. Promising innovations will be identified, strengthened, and scaled up. Learning and knowledge-sharing on best practices will be encouraged.

Challenges **-**With the responsibilities of the agricultural sector currently spread over 10 ministries and the need for partnerships with several other ministries and stakeholders, implementation of the MTIP will require strong partnerships between the Government, the Counties, the private sector, development partners and other non-state actors. Strong coordination mechanisms will be fundamental especially under the new constitutional dispensation.

Relevant CAADP Pillars **-** This investment area has no direct linkage to specific CAADP Pillars, but by ensuring strong implementation of the other five MTIP pillars, it strengthens adherence to CAADP principles and practices.

Policy Agenda **-** In addition to supporting implementation of the full agricultural sector policy agenda (Figure 9.1), laws and policies that govern the rollout of agricultural services under the devolved administrative structures envisioned in the new Constitution will be

critical to the sector and thus will require careful monitoring and engagement, aiming to promote harmonization of new legislation with the ASDS.

Targets

- By 2017 ASCU will have identified all County Specific investment priorities and brought them to the attention of the Counties
- By 2015 ASCU will have facilitated sector wide approach to planning.
- By 2017 ASCU will have facilitated identification of Investment Areas in the Counties.
- By 2015 ASCU will have facilitated sector wide approach to M&E.

Activity Areas

- Supporting TWGs and County Agricultural Coordination Units
- Developing and monitoring policies and legislation
- Preparing for rollout of effective agricultural service delivery under devolved structures
- Ministerial and parliamentary briefings
- Developing partner consultation and coordination
- National stakeholder forum
- Designing and implementing sector-wide results framework and M&E system
- Other activities and budgets are detailed in the Costs Tables.

Key Actors

- National farmers institutions/cooperatives
- National Steering Committee
- Inter-ministerial Coordination Committee
- Technical Committee
- All Sector Ministries (or their successors)
- ASCU
- TWGs
- ARD Donor Group

5 Costs and Financing

This chapter provides a summary of the costs, benefits and financing of the MTIP 2013-17 and describes the methodology adopted in estimating those figures. The MTIP 2013-17 is informed by the initial work undertaken in preparation of the previous MTIP I 2010-15, the experience gained in implementing it and the ministerial strategic plans. The MTIP II budget has also been synchronized with the MTP II for Vision 2030. It therefore includes all agricultural sector flagship projects for Vision 2030 in addition to the regular investments by ministries. The MTIP has also taken into account the government priorities for the sector as indicated in the Jubilee Coalition Government Manifesto such as irrigation.

5.1 Costs

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 analyzed to produce needed intervention strategies. Assumptions and obstacles to implementing these strategies were identified. The investments needed to operationalize the strategies were identified and prioritized from the ministerial strategic plans and then consolidated and clustered according to the six ASDS investment pillars. This approach resulted in resource requirements far above the ability of the Government to finance. The figures that emerged were thoroughly discussed and adjusted by the review team to reflect the ability of the government to mobilize the resources needed to implement the MTIP. As a further reality check, the figures were tested against extrapolations of the current MTEF allocations which is a firm basis of what the government is able and willing to finance. The budget summary indicated in table 5.1, therefore reflects a consensus of detailed discussions with ministries on their plans for Vision 2030.

One of the challenges of estimating resource requirements for the sector is the frequent changes in the institutional composition. In the recent rationalisation and reorganization of the government, some institutions have moved out while others have joined the core of the sector. Despite these changes, the investment requirements of the sector are assumed to remain unchanged.

Table 5.1: The Distribution of MTIP budget by investment pillar - Ksh 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%

As shown in Table 5.1 the proposed portfolio of MTIP investments (i.e. the development budget) will require KShs 460.26 billion over the five-year period to 2013/14 – 2017/18. The development and improvement of physical infrastructure is expected to play the key role in increasing productivity, food security and employment. Consequently investments aimed at increasing productivity and commercialization of agriculture and sustainable use of land, water and natural resources are planned to absorb together 51% of the investments while other investment pillars combined will take 49%. This distribution is based on the need to focus resources on the critical constraints to development in order to have visible and lasting beneficial impact. It should also be noted that while the allocation to other pillars may appear small in percentage terms, it represents major increases in resource allocations to historically under-funded areas, most notably promotion of private sector participation and market access, competiveness and trade.

The distribution of the planned MTIP investments across Kenya's agro-ecological zones is shown in Table 5.2. The high rainfall areas will receive about 43.41 percent mainly to sustain and intensify production and build capacity for value addition. The arid and semi-arid lands will receive the largest share of resources at 56.59 percent mainly because: (i) semi-arid areas have the greatest potential for agricultural growth and poverty reduction; (ii) 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 (iii) productivity increases in the semi-arid areas have the highest spillover benefits for the other AEZs. Key investments in these areas include access roads, creation of DFZs, animal production facilities, and water harvesting and irrigation. The total zone-specific investments amount to Shs. 242.7 billion while investments that benefit all zones amount to Shs 217.6 billion[9].

[9] The common investments have been prorated according to the ratio of zone-specific investments to arrive at the nominal allocation of total MTIP investment program.

Table 5.2: MTIP Investments Across Agro-ecological Zones

Agro-ecological zone	Zone specific investments Shs mn	Shared Investments Shs mn	Nominal Allocation Shs mn	Share (%)
High Rainfall Areas	105,353,489	94,456,650	199,810,139	43.41
Semi-Arid Areas	93,446,638	83,781,338	177,227,976	38.51
Arid Areas	43,878,618	39,340,199	83,218,818	18.08
Total	242,678,745	217,578,187	460,256,933	100.00

5.2 Costs versus Potential Benefits

The potential benefits accruing to Kenya from successful implementation of the MTIP are estimated to average KShs 1,111.18 billion over the MTIP 5 year period (Table 5.3).[10] This translates to Shs 28,932 per farming household which is about 38% of per capita GDP in 2011[11] (or higher for average agricultural incomes).

Table 5.2: Benefits, costs, and net returns to the MTIP portfolio

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Benefits (Ksh billion)	232.05	221.00	237.46	216.18	204.49	1,111.18
Costs (KShs billion)	83.47	93.44	94.44	93.98	94.92	460.26
Net Benefits (KShs billion)	148.58	127.56	143.02	122.2	109.57	650.93
Benefit:Cost Ratio	2.78	2.37	2.51	2.30	2.15	2.41
Total Net Benefits (KShs billion)	650.93					
Number of farming households (million)	4.5					
Net benefits/farming household (KSh)	28,932					

5.3 Financing MTIP

The financing of MTIP will be an uphill task looking at the heavy burden that the implementation of the new constitution places on the government in terms of expanded

[10] The potential benefits have been estimated by extrapolation of results obtained from an earlier modeling framework, Thurlow and Benin, 2008. Op cit. The number of farming households has been increased to 5million from 3.5 million.

[11] Clearly, these net benefits would not accrue only to farming households. The object is to give a sense of the micro-level equivalent of the estimate aggregate gains.

legislature and county administrations, rising costs of education, healthcare, wage bill of public servants and the need for enhanced security. In addition, the financial crisis enveloping the Eurozone means that the traditional sources of foreign aid may not be as forthcoming as before particularly bearing in mind that some key development partners have shown clear preference away from agriculture to soft sectors such as governance, health, climate change and environmental resources management. The GoK must therefore increasingly rely on domestic revenue to drive the MTIP agenda. Relief in financing the MTIP will come from three sources:

i. The GoK must improve the absorptive capacity of local and foreign funded projects which varies from about 60% to 90% and in some cases 30%. Procurements arrangements is one of the common causes cited for low absorption capacity in both local and foreign aided projects. Support from development partners will initially come from the on-going and planned projects.
ii. More effort than before will be needed to mobilize funds across the 5 years particularly for the flagship projects.
iii. Involvement of the private sector through innovative PPPs.

In the years 2008/09 to 2012/13, the GoK allocated to the agricultural sector an average of KShs 99.6 billion comprising KShs 33.3 billion for the core sector ministries and Shs 66.7 billion for other sector ministries. Recurrent expenditure for sector ministries averaged KShs 33.8 billion (33%) while development expenditure stood at Kshs 65.7 billion. The level of funding to the sector as a proportion of total GoK budget has risen steadily as shown in Table 5.3 from 8.7% in 2008/09 to 9.9% in 2012/13. The rise in funding of the sector is attributed to rapid rise in the funding for water and irrigation since 2010/11. However the overall funding for the sector has barely been sustained at the 10% required under the CAADP/Maputo Declaration.

Table 5.3: GoK Budgetary Allocation 2008/09 – 2012/13

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

In the 2012/13 the GOK allocation to the sector was upped to KShs 138.96 billion from KShs 113.28 billion in the previous year. Due to factors cited above, it may prove difficult to sustain such a rapid growth in sector expenditure. In addition, the absorptive capacity of sector ministries will only improve gradually given that the implementation of sector programmes will be at county level where experience in managing finances will be limited

and also due to the fact that staff deployed during the rationalization of the ministries will take time to familiarize themselves with implementation of sector programs. Hence, and although Development Estimates for the FY 2012/13, 2013/14 would seem to suggest a rising level of funding for the MTIP, a conservative approach has been adopted especially looking at past allocations and actual utilization levels. Consequently, the average of the 2009/10 to 2012/13 financials and expenditure estimates for 2013/14 to 2015/16 have been used to project MTIP GoK funding shown in Table 5.4.

Based on the evidence of the sector's stellar 7 percent growth performance prior to the disruptions caused by the civil strife in 2008, these levels of initial public sector funding for the sector are deemed adequate to permit achievement of a similar level of performance during the MTIP period. Increased efficiency in the use of public funds and continued improvements in public sector governance will further spur sector performance.

Table 5.4: Projected public sector expenditures on the agricultural sector over the MTIP period

Budget Component	2013/14	2014/15	2015/16	2016/17	2017/18	Total	Share (%)
Recurrent - KShs Mn	62,502	69,561	71,630	74,800	76,700	355,193	44.1
Development-Ksh Mn	84,324	88,092	90,148	91,934	94,939	449,437	55.9
Total - KShs Mn	146,826	157,653	161,778	166,734	171,639	804,630	100.0

Source: Projections

As shown in Table 5.5, the GoK is expected to contribute KShs 291.95 billion or 63.43 percent. 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 amounting KShs 104.3 billion[12] 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 raise this figure. Even after considering direct financing to parastatals and NGOs at KShs 3.90 billion, this would still leave a gap of KShs 60.06 billion to be financed from private sector and other sources yet to be identified. The greatest risk to the MTIP financing is with respect to funding for the multipurpose dams where investment proposals have not been matched with matching budgetary support.

[12] Study on Assessment of Alignment of Agricultural Sector Programmes to ASDS and MTIP 2010-15

Table 5.5: MTIP Financing and Gap

Sources of Funding	Total Shs Bn	Share %
Total MTIP Cost	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

Reliable data regarding private sector investment flows in Kenya do not exist.[13] The private sector's contribution to the plan will be assessed during the plan implementation phase. It is however important to note that agricultural production is primarily private sector driven except for investments in research, extension, infrastructure and capacity building which are dominated by government. Private sector investment in agricultural sector, even if unknown, can therefore be assumed to be substantial. Already many small scale farmers are adopting greenhouse technologies and drip irrigation. This mode of farming is expected to accelerate in the HRA due declining land sizes, in the peri-urban areas due to rising demand, and in the ASALs for adaptation to climatic conditions.

One way of estimating private sector investment in agricultural sector is to relate it to the gross fixed capital formation (GFCF) in the sector. Between 2007 and 2011, the national GFCF averaged about 19.4% of GDP and stood at KShs 609.0 billion in 2011. Whereas data on the national GFCF is available, the sectoral data is not provided. The only information on GFCF which points to agricultural sector is cultivated assets that over 2007-11 averaged 0.3% of GFCF. Therefore there is no direct way of determining the investment that actually goes to agricultural sector. However, if cultivated assets were to be considered to represent private investment, then the estimate for private sector investment during the MTIP period would amount to KShs 11.0 billion represent about 2.41% of the MTIP budget. This is taken as a lower bound estimate of private sector potential contribution to the MTIP as it does not include buildings and machinery which would be essential for agro-processing.

[13] Not least because a universally accepted definition of the private sector also does not exist.

6. Coordination and Implementation Arrangements

6.1 Changing institutional context

The fundamental aim of the MTIP is to transform the agricultural sector into a profitable enterprise that provides decent means of livelihood to its growing population. The performance of the public sector—dissatisfaction with which was a fundamental driver of pressures for Constitutional reform—and the inclusion of private sector and civil society agents in the planning, implementation and monitoring of sector interventions will be pivotal to any movement beyond current practice. Proper implementation of the new institutional arrangements and organizational forms for enhanced sector-wide coordination will be crucial to successful implementation of the MTIP.

As briefly mentioned in section 4.1, the MTIP is being formulated at time when internally Kenya is undergoing fundamental change in its governance structures. While the New Constitution has delineated the roles and functions of the national and county governments, the institutional arrangements for performance of these functions are still evolving. The areas of responsibility for the national institutions will be focused on development of policy and overall planning frameworks to guide the regulatory functions of the new Agriculture, Fishery and Food Authority (AFFA) and the delivery of sector service and programme implementation by the county governments.

As also mentioned in section 4.1, the MTIP will be implemented through the sector-wide ASDS coordination framework (Annex V). This framework provides for a harmonized, coordinated approach to management of sector interventions and effective and efficient use of resources. The framework has also been designed to facilitate the active participation of the private sector, development partners, the civil society and local communities.

This framework has to be viewed as a transitory arrangement because, while sectoral functions will remain, the institutional roles and responsibilities will change when the new governance order is fully implemented. Except for the programmes that will be national in nature, such as construction of the multi-purpose dams, most of the investments contemplated in the MTIP will be implemented by the County governments. Consequently, there will be a need for close coordination between the central and county governments in the implementation of MTIP. With the repeal of the Agriculture Act, the administrative links between the districts agricultural coordination units and national policy organs will be severed and will need to be replaced with other equally effective consultative arrangements to be developed in the context of the new AFFA Act.

6.2 Institutional set-up for MTIP coordination and implementation

During the transition period, the institutional structure which will influence the implementation of MTIP will involve at three levels: The national, sector and county/local levels.

a) National level

At the national level, Vision 2030 and the national Medium Term Plan provide overall guidance to the implementation of the ASDS and the MTIP. The national conferences between the President of the Republic of Kenya and the 47 County Governors will provide additional guidance in this context.

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 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 presided by the President, as well as the Aid Effectiveness Group convened by the Treasury.

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:

i. 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 will undertake the sector level steering function for implementation of the MTIP.

The Technical Committee, which consists of directors of sector ministries and development partner representatives, will provide technical and institutional direction.

The Thematic Working Groups, in their capacity as thematic think tanks, will provide continuous advisory inputs. Currently, there are 7 TWGs but their number and composition will be reviewed as need arises during the MTIP implementation.

The Agriculture Sector Coordination Unit will convene and provide secretariat support to the ASDS coordinating entities as they perform their respective functions pertaining to the implementation of the MTIP. ASCU will also spearhead resource mobilization to support investment in the priority areas identified in the MTIP. The development of the planned sector monitoring and evaluation framework by ASCU will greatly facilitate measurement of the achievement of ASDS objectives and associated outcomes under the MTIP Result Framework.

During the transition, the current ASDS framework will operate, but in time alternative arrangement will require direct inputs of counties into national planning and coordination. This will be achieved through political and technical approaches. At the political level, issues for coordination will be dealt at the forums between the national President and the Governors and the forum of Governors. At the technical level counties issues will be brought to the TC and ICC through the County Coordination Units. In this connection, it is suggested that a representative of counties be incorporated as a member of the TC. This will require counties to organize forums where all county agricultural sector representatives meet and articulate their issues for onward transmission to TC and ICC at national level.

ii. Sub-sectoral policy development and planning:

In accordance with the new governance order, 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.

iii. Regulatory development and oversight:

In accordance with the new consolidated sector legislation, the Agriculture, Fisheries and Food Authority will be responsible for regulatory development and oversight. This will contribute to the efficient implementation of MTIP activities and achievement of MTIP objectives.

iv. Implementation:

Sector ministries would be responsible for the implementation of large scale national MTIP activities that are not being transferred to the county governments.

c) County level

i. Sector coordination

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 are decentralized national entities which will support local coordination of sector interventions and alignment of these with national level sector policies and plans, including the MTIP. County Steering Committees comprising directors from county sector departments and other local stakeholders will provide direction for the CCUs.

ii. Regulatory development and planning

The County Governments will be empowered to promulgate local regulations governing the planning and implementation of county level service delivery and other interventions within the sector. Likewise the county planning authorities in collaboration with county sector departments will prepare county level sector plans. Such regulations and plans will impact the implementation of MTIP activities.

The link between the county planning and implementation with the national government planning is currently not clearly defined and therefore constitutes an area of development in relation to the implementation of the MTIP. Clarification of this issue is critical for success of MTIP.

iii. Implementation

At the County 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.

6.3 Mechanism for alignment of programme interventions to MTIP result areas

As discussed elsewhere in this document, the sector is currently supported by about 380 projects and programmes. The ASDS coordination mechanism includes some tools for enhancing the level of coordination between programmes, and alignment of programme interventions with the MTIP. However a need has been identified to further strengthen the alignment of programme interventions with MTIP investment priorities, and to enhance the level of coordination and integration of programme implementation. This will contribute to enhanced effectiveness and efficiency in the use of programme investments in the sector and hence contribute towards achievement of MTIP objectives.

The MTIP Programme Alignment mechanism comprises the following elements:

i. MTIP Result Framework:

The result framework constitutes the programmatic focal point for all programmes contributing to the MTIP. Individual programme result frameworks/logframes should therefore to the extent possible contribute directly to MTIP Result Framework objectives, outcomes and outputs. Similarly, to the extent possible, programme level indicators should ideally be aligned with MTIP result indicators. The MTIP Result Framework thus can be said to constitute a set of “hooks” upon which individual programmes can “hang their coats”, i.e. contribute individually or jointly towards achievement of one or several outcome areas or outputs included in the Result Framework.

ii. MTIP Matrix of Affiliation:

The Matrix of Affiliation will map the contributions of sector programmes towards activity areas included under the MTIP investment pillars. This will include information on contributions in terms of the programmatic focus, geographical distribution, committed and disbursed funding of ongoing and planned programmes. This information will be included in a database so as to facilitate analysis of the volume, distribution and focus of sector programme contributions. The Matrix will be updated on a regular basis and reports prepared and circulated accordingly.

iii. Sector M&E system:

The planned sector M&E system form an integral part of the MTIP Programme Alignment Mechanism as it aims to measure progress against the ASDS objectives and hence progress against MTIP Result Framework indicators. Analysis of achievement against MTIP indicators supported by the sector M&E system will therefore facilitate analysis of the relevance and efficiency of programme interventions and the extent to which they contribute effectively towards MTIP objectives.

iv. Programme coordination mechanism:

In order to enhance programme relevance, efficiency, and effectiveness and MTIP alignment across sector programmes, an institutional mechanism aimed at facilitating enhanced coordination and integration between programmes is required. This institutional support towards programme coordination and MTIP alignment will initially be provided by the Agricultural Sector Development Support Programme (ASDSP) in close consultation with ASCU. The ASDSP is well positioned to provide this support as this Programme has supported the establishment of the County Coordination Units in the 47 counties ("decentralized ASCUs") and also maintains a National Programme Secretariat in Nairobi (these mechanisms are staffed by staff of line ministries within the sector). The responsibility for maintaining this coordination mechanism will be transferred to a GoK institution as and when a suitable institution has been identified and the required resources are made available. In this capacity, the NPS and CCUs will provide the institutional mechanism responsible for the following tasks:

- *Regular updates of the Matrix of Affiliation and issuing of analytical reports* on programme contributions towards the MTIP investment areas and result framework. This would require close collaboration with the institution responsible for management of the sector M&E system (if this task is not allocated to the NPS/CCUs).
- *Facilitation of efforts aimed at enhancing practical coordination and integration between programmes.* The effort to facilitate coordination and integration between programmes will apply an incremental approach aimed to gradually build the scope of the integration effort and the number of participating programmes, based on the acknowledgement that different programmes have different levels of "integration readiness" given the agreements and procedures that govern their operation. This effort will include a) harmonization of programme governance structures (with the ultimate aim of moving towards establishment of one consolidated programme steering committee for the sector), b) harmonization of management systems (e.g. coordinated work planning, etc.), c) strengthening of technical cooperation (e.g. harmonized technical tools, joint technical reviews, etc.) and d) application of joint implementation structures (e.g. joint offices).
- *Process monitoring and reporting on the coordination effort.*

v. **Commitment from Development Partners:** Commitment by Development Partners to align programmes with the MTIP Result Framework and to engage in the efforts to coordinate programme interventions will be reflected in the updated Code of Conduct for the sector.

7. Monitoring and Evaluation

A recent study commissioned by ASCU found that while Kenya has a long and rich history of monitoring and evaluation (M&E), a fundamental characteristic of M&E in Kenya is lack of an overarching institutional or legal framework for a national M&E system. M&E is conducted by different stakeholders (public, private, civil society) at different levels (national, ministerial, district, programme, and project) for different purposes (e.g. accountability to donors or beneficiaries, tracking inputs and outputs, informing evidence-based policy making), often using different methods and tools (quantitative and qualitative approaches; household surveys and national census). The result is a relative lack of consensus or shared understanding of the functions, objectives, purposes, roles, responsibilities and structures for M&E. This leads to duplication and wastage both within governmental monitoring and evaluation systems but also between governmental and nongovernmental systems.

The scope and complexity of the sector-wide MTIP demand a rigorous, comprehensive, and carefully implemented monitoring and evaluation (M&E) system based on an agricultural sector-wide strategic results framework and that this framework is the basis for local and national governments to plan and implement its programs. Further it is necessary for development partners and others seeking to invest in the sector in a way that harmonizes their interventions and programs to the common strategic results framework.

The Government of Kenya established the National Integrated Monitoring and Evaluation System (NIMES) whose objective is to measure the efficiency of Government programs and the effectiveness of its policies. NIMES measures results at a high national level and at present collects and publish results for only a dozen agricultural sector related indicators. The MTIP with its strategic results framework and strengthened monitoring and evaluation will expand the availability of agricultural monitoring data to NIMES. Activities implemented under the MTIP will be linked to the NIMES through a sector-wide strategic results framework that is presented as part of this revised and updated MTIP.

In line with the MTIP, national and county agricultural performance and results monitoring systems will be launched and sets of indicators established to monitor progress in the implementation of MTIP. The indicators and targets selected will monitor outcomes of implementation of activities for the overall ASDS and at the level of the MTIP. The indicators will first be piloted and assessed annually by stakeholders to determine their suitability and constraints in data collection. The first task for the counties and central government after finalization of indicators will be to collect baseline data where they do not exist.

ASCU will require strong support aiming to establish a sector- wide M&E framework and system over the next 3-5 years. The devolution of agricultural sector activities to county

governments adds to the complexity of collecting and aggregating information, establishing baselines, monitoring and reporting of MTIP activities. ASCU is expected to play a key role in drawing the county and central government actors together to set M&E standards and coordinate and integrate M&E results and reporting. ASCU will ensure a "buy in" to the M&E system from the county governments. In this connection, capacity development at all levels of the organizations and people on whom success of the system will depend will be completed.

8. Opportunities, Risks and Sustainability

The ASDS and MTIP come at a critical moment in Kenya's history. The new Constitution is in the early stages of implementation. The rationalization of the government that the implementation of the constitution brings with it opportunities and risks for implementation of MTIP mainly because some of the structures required for its implementation are yet to be established.

Opportunities stem from the emphasis on improved governance and accountability that the new Constitution will usher in. The vision 2030 also provides great opportunities for marketing agricultural products. The Vision 2030 flagship projects are expected to draw concentrations of high income populations to the areas where they will be located. These areas are generally in ASAL areas. They include the LAPSSET Corridor, the oil, gas and coal areas, the ICT and Tourist Resort cities. They will provide markets for agricultural products.

One of the key risks to MTIP is the strong linkages required and interdependence between various agricultural sector investments and other non-agricultural sectors and private sector investments for success. As indicated in section 3 above, other non-agricultural sectors must also make investments that allow those in the agricultural sector to generate their economy-wide effects. Investments in education, training and broad-based science and technology development are also needed to create a knowledge-led economy, create and deepen innovation awareness and application, and to protect intellectual property rights. In addition, all aspects of human and social development such as human health, gender equity and youth empowerment are key enablers of agricultural development. The rapid development of infrastructure such as roads, rail and power supply are essential. Lack of these will threaten the attainment of this MTIP. The MTIP therefore places considerable premium on coordination of planning and implementing of programmes – a feature that has been elusive even within agricultural sector institutions due to turf wars. The possibility of county governments failing to identify fully with or own the priorities indicated in the MTIP is also a risk to coordinated investments. A strong and well-resourced ASCU is critical, with all 10 ministries contributing competent personnel to the Secretariat. Strong communication and team-work among all stakeholders is essential.

The other major risk arises from the possibility of a more tightly constrained budget as the new national governance system is implemented with attendant recurrent costs, potentially reducing resources available for development programmes, including those in the MTIP. The high costs associated with the implementation of the new Constitution and the weak revenue base for most of the Counties will present a major challenge and risk of reductions in the funding of the MTIP. The huge infrastructure developments to house the County administration and the expected rise in the wage bills also present real risks to the funding of the MITP and other development programmes.

Legislative bottlenecks may also appear as Parliament strives to enact a large number of new laws, possibly negatively impacting the agricultural sector reform agenda. Many of the sector policies including the harmonized agricultural legislation remain as drafts.

Consequently, the reform agenda under the first MTP/MTIP is not fully finalized and there will be need to continue with this activity in order to fully internalize the impact of the new constitutional dispensation and the emerging legal framework. The continuous changes may introduce some risks.

The development of the Vision 2030 Projects will increase the demand for food in the project areas and as such cause rapid and more permanent change in the flow of food items away from the traditional food markets of Nairobi, Mombasa, Kisumu and other major towns. This could cause food insecurity in these areas. There will be need to increase production in areas around these large cities as well. These risks will be carefully monitored and contingency plans developed as more details emerge about the transition process.

The major external risks facing the MTIP pertain to:

The existence of the necessary enabling environment. There is need for macro-economic stability to ensure prudent fiscal and monetary policies, availability of resources for planned increased investment, and acceleration of structural reforms.

Good governance is necessary to combat corruption, instill prudent management of the economy, enhance sectoral and donor coordination, and operationalize sector-wide monitoring and evaluation framework.

Stability in the world economic and financial markets such as the Euro-zone which are major sources of development assistance and also markets for domestic agricultural products.

Sustainability of the interventions implemented under this MTIP will greatly depend on:

- The role and the participation of the private sector stakeholders in the implementation process.
- The inclusion of the youth in the various activities.
- Addressing key issues such as adequate financing.

9. Conclusion: Next Steps

Despite a range of enduring external and internal challenges, Kenya has created an innovative and promising platform for broad-based agricultural growth and food security enhancement. This MTIP provides the framework to guide detailed planning and priority setting to achieve sectoral and national objectives. The following immediate steps are planned for the MTIP period 2013-2017 (Table 9.1 presents the anticipated timeline for these activities):

i. Development of an administrative structure linking the counties and the central government ministries
ii. Developing modalities for an orderly transfer of service delivery roles to the counties including capacity building;
iii. Capacity building among stakeholders aiming to fully clarify the respective roles and responsibilities for MTIP implementation;
iv. Capacity building in sector-wide approaches to planning and implementing of public initiatives;
v. Finalization and operationalization of harmonized MTTIP/MTP M&E system for agricultural sector;
vi. Development and launching of new programmes and projects in line with the Devolved governance structures and the MTIP.
vii. Carrying out a Mid-Term Review of the MTIP implementation and making adjustments/proposals as necessary,
viii. An end Term Review
ix. Preparations for Third MTP and MTIP

Figure 9.1: Roadmap for the MTIP 2013-2017

	2013	2014	2015	2016	2017
Operationalizing AFFA					
Operationalizing KARO					
Conduct a functional analysis of ASDS coordination institutional framework					
Finalization of integrated MTIP and MTP M&E					
Capacity building to support County operations					
Capacity building in sector wide approaches					
Operationalization of M&E system					
Harmonization of existing programmes and projects within the MTIP					
Capacity building in PPPs					
Adjustments to existing programmes and projects					
Midterm review of MTIP in Year 3					
End term Review 2017					
Preparation of 3rd MTP and MTIP					

10. Annexes

Annex I: Outcomes and Indicators for ASDS Pillars

The ASDS has set out strategic thrusts and other targets that the MTIP has incorporated and harmonized in the six pillar outcomes. Listed below are tables for each of the MTIP pillars with some suggested outcomes and related indicators as the starting point for county discussions on planned agricultural results. To place these outcomes and indicators in the context of the strategic results framework, it would be useful to review the agricultural sector framework itself and the high level indicator list as presented in the body of the MTIP.

The outcomes and indicators presented below are draft or suggestions as no discussions and vetting with the many stakeholders in agriculture, especially at the county level, have taken place yet.

Pillar I - Increase Productivity and Commercialization	
Supporting Outcomes	**Indicators**
1. Improved and adopted agricultural technology	-Number of new technology, improved practices and inputs introduced by public and private sector -Percentage change in yields resulting from the new technology, improved practices and inputs for the sector
2. Increased small holder commercialization	-Proportion of total small holder crop production that is marketed (This is Pillar I indicator already)
3. Expanded area of irrigated land	Area of newly irrigated land and percent it represents of total irrigated land
4. Reduced vulnerability to drought and floods	Change in HH income and productive assets of vulnerable populations

Pillar II – Promote Private Sector Participation	
Supporting Outcomes	**Indicators**
1. Increased participation in agricultural associations	- Number and percent change in members of agricultural associations by sub-sector (This is a Pillar II indicator already) -Number and percentage change in producer association by type

	-Change in volume and value of agricultural inputs purchased and products sold by agricultural associations
2. Expanded private investment in agriculture	-Annual investment in agriculture and yearly percent change by select agro enterprises - collected by county and nationally
3. Divested state corporations dealing in production, processing and marketing where private sector can operate more efficiently (from ASDS)	-Number of divested state enterprises per year
4. Increased number of agribusinesses	-Total and yearly percent change in number of agribusinesses by type by county and nationally

Pillar III – Promote Sustainable Land and Natural Resource Management	
Supporting Outcomes	**Indicators**
1. Improved legal framework for agricultural land tenure and use	-Percentage of agricultural land owned or under owner-like possession by different groups including women, minority groups and youth
2. Increased forest cover	-Percentage change in forest cover – by county and nationally
3. Protected water sources	-Change in area rehabilitated in catchment areas – by county and nationally
4. Increased capacity of farmers to adapt production to climate change	-Number of agricultural producers with increased adaptive capacity to cope with impacts of climate variability and change.

Pillar IV – Improve Agricultural Services	
Supporting Outcomes	**Indicators**
1. Expanded quality extension services	Farmer access, use and satisfaction survey on agricultural extension services (crops, livestock, fisheries, forests - public/private breakout by county, nationally and by gender, youth)

2. Expand access to financial services for agricultural producers and agro enterprises.	- Value and number of agricultural loans and farm production insurance policies by county and nationally disaggregated by gender and youth (This is a Pillar IV indicator already) -Percent of rural population using formal financial services. -Indicators of satisfaction: % users who are satisfied with the financial services by type – by gender/youth
3. Improved agricultural (crops/livestock/fisheries) practices, technologies and systems used by producers	Farmer access, use and satisfaction with new practices and technology from KARO and private providers (breakout by county and nationally and gender/youth)
4. Expanded access of agricultural inputs for crops, livestock and fisheries	Farmer access, and satisfaction with agricultural input supply (breakout by public/private, county and nationally and by gender and youth)

Pillar V – Increase Market Access, Competitiveness and Trade	
Supporting Outcomes	**Indicators**
1. Custom and tariff regimes established as incentives for agricultural trade in Kenya and for export	-Number of new policies and incentives formulated and implemented for improved agricultural trade
2. Expanded domestic market access for agricultural products	-Cross county trade of agricultural goods -Change in average distance from farm gate to closest agricultural product market (survey needed) -Change in number of agriculturalists accessing market information by source, disaggregated by gender and youth
3. Increased value of EA regional trade (imports and exports) in selected crops/livestock	-Change in trade figures for agricultural products in EAC and COMESA
4. International trade barriers removed	-Number of trade barriers eliminated (Check baseline study done by Treasury)

5. Market infrastructure for agricultural products expanded	-Number of new agricultural markets built -Kilometers of new agricultural roads completed
6. Strengthen value chain facilitation and inclusiveness	-Number of value chains assisted -Increased number of low income producers who benefit from VC interventions -Change in sales of select value chain assisted

Pillar VI – Promote Effective Coordination and Implementation in the Agricultural Sector	
Supporting Outcomes	**Indicators**
1. Agricultural Sector wide coordination and joint programming improved	--Number of county, central government and DP programs integrated under ASDS and MTIP -Percentage increase in funding to ASDS coordination mechanism -Percentage increase in ASDS coordination client satisfaction -Adherence to Code of Conduct by Development Partners (through GOK assessment)
2. National and County agricultural sector institutions and capacity strengthened	-Harmonized budgeting and planning - Percentage increase in fulfillment of performance contracts of agriculture institutions at county and national level -Change in satisfaction of farmer/producers – measured by county (Survey required)
3. M&E system used for government decision making resource allocation and program development	-Functional sector-wide M&E system in use -M&E analysis used to ensure funding is for priority inputs/outputs -Results based budgeting established
4. National and County policies, strategies and regulations developed and harmonized	-No of policies, strategies, standards and implementation frameworks completed and in use.

Annex II: MTIP INVESTMENT PLAN and BUDGET

Strategic Thrust/Activity and Expected Outputs Shs Million	2013	2014	2015	2016	2017	Total
1. Increase productivity and commercialization	39,655	45,798	50,144	49,984	50,022	235,604
1.1 Livestock development in arid areas.	3,555	5,117	7,288	7,559	7,824	31,344
1.1.1 Pests and disease control and livestock health measures	2,400	3,600	5,650	5,900	6,150	23,700
1.1.2 Animal health extension services	50	60	65	70	75	320
1.1.3 Promote animal welfare	65	65	65	65	65	325
1.1.4 Pests and disease surveillance	336	490	784	826	861	3,297
1.1.5 Establish and manage disease-free zones.	300	450	250	200	150	1,350
1.1.6 Promote best range management practices	121	151	158	166	174	769
1.1.7 Undertake livestock restocking.	25	30	32	33	35	155
1.1.8 Breed livestock for productivity.	16	17	18	19	20	90
1.1.9 Water provision	50	53	55	58	61	276
1.1.10 Promote Bee keeping and emerging livestock	120	126	133	139	146	664
1.1.11 Community based hay harvesting and storage	72	76	79	83	87	398
	-	-	-	-	-	-
1.2 Livestock development in semi-arid areas.	3,530	6,459	8,259	7,477	6,895	32,620
1.2.1 Pests and disease control and livestock health measures	1,440	2,160	3,360	3,540	3,690	14,190
1.2.2 Animal health extension services	30	36	39	42	45	192
1.2.3 Promote animal welfare	39	39	39	39	39	195
1.2.4 Pests and disease surveillance	202	294	470	496	517	1,978
1.2.5 Establish and manage disease-free zones.	934	3,000	3,373	2,334	1,625	11,266
1.2.6 Water provision.	50	53	55	58	61	276
1.2.7 Promote best range management practices	181	190	200	210	221	1,001
1.2.8 Community based forage production, conservation and storage	126	132	139	146	153	697
1.2.9 Undertake livestock restocking.	105	110	116	121	127	579
1.2.10 Breeding for productivity.	90	95	100	105	11	401
1.2.11 Early warning systems.(cross cutting)	17	18	19	20	21	95
1.2.12 Promote Bee keeping and emerging livestock	180	189	199	209	220	996

1.2.13 Establishment of livestock feedlots	126	132	139	146	153	696
1.2.14 Fodder production (Irrigated and natural)	11	11	12	12	13	58
	-	-	-	-	-	-
1.3 Livestock in HRAs	797	1,017	1,121	1,167	1,210	5,311
1.3.1 Animal nutrition.	157	165	174	182	191	870
1.3.2 Pests and disease control and livestock health measures.	192	380	448	472	492	1,984
1.3.3 Artificial insemination.	105	110	120	115	110	560
1.3.4 Breeding Stock.	63	66	70	73	77	348
1.3.5 Establish bulking sites and fodder banks.	105	110	116	122	128	581
1.3.6 Animal health extension services	20	24	26	28	30	128
1.3.7 Promote animal welfare	26	26	26	26	26	130
1.3.8 Pests and disease surveillance	69	72	76	79	83	378
1.3.9 Promote Bee keeping and emerging livestock	60	63	66	70	73	332
	-	-	-	-	-	-
1.4 Fisheries development	3,067	3,233	3,281	3,300	3,510	16,391
1.4.1 Aquaculture development	1,671	1,761	1,788	1,800	2,000	9,020
1.4.2 Development and management of capture fisheries	1,235	1,302	1,321	1,325	1,330	6,513
1.4.3 Promote fish safety and quality.	161	170	172	175	180	858
	-	-	-	-	-	-
1.5 Promote agriculture in the semi-arid areas.	240	245	250	252	254	1,240
1.5.1 Promote conservation agriculture.	58	61	62	63	63	306
1.5.2 Promote production of drought tolerant crops.	100	100	100	100	100	500
1.5.3 Promote improved post-harvest management	20	20	20	20	20	100
1.5.4 Promote agro-forestry	10	10	10	10	10	50
1.5.5 Promote research in conservation agriculture	52	54	58	59	61	284
	-	-	-	-	-	-
1.6 Increase crop productivity in HRAs	12,064	12,312	12,506	12,608	12,797	62,288
1.6.1 Facilitate access to affordable quality fertiliser	5,000	5,000	5,000	5,000	5,000	25,000

1.6.2 Facilitate access to affordable quality seeds.	455	455	460	465	470	2,305
1.6.3 Pests and disease control	105	110	119	121	122	577
1.6.4 Support and facilitate farmers innovative initiatives	733	770	771	772	774	3,821
1.6.5 Provide extension services	1,487	1,562	1,666	1,680	1,766	8,162
1.6.6 Facilitate other service providers and actors along the value chain.	643	675	680	681	691	3,370
1.6.8 Facilitate farmers access to information	524	550	552	560	563	2,749
1.6.9 Facilitate farmers organizations access to inputs and credit	1,048	1,100	1,155	1,213	1,273	5,788
1.6.10 Facilitate access to appropriate technology and innovation.	210	220	223	225	239	1,116
1.6.11 Pests and diseases surveillance and control	1,860	1,870	1,880	1,890	1,900	9,400
	-	-	-	-	-	-
1.7 Water and Irrigation development	13,823	14,704	14,825	14,951	15,082	73,383
1.7.1 Construction of Thiba Irrigation Dam - HRA	1,883	1,883	1,883	1,883	1,883	9,413
1.7.2 Rehabilitation and Expansion of existing schemes.	9,235	10,000	10,000	10,000	10,000	49,235
1.7.3 Promote water harvesting and storage	303	323	343	363	383	1,715
1.7.4 Promote recycling of waste water	1,140	1,197	1,257	1,320	1,386	6,299
1.7.5 Promote efficient use water for irrigation	540	567	595	625	656	2,984
1.7.6 Develop underground water resources	480	480	480	480	480	2,400
1.7.7 Capacity building for irrigation development	200	210	221	232	243	1,105
1.7.8 Establish and operationalise Irrigation Development Fund	42	44	46	49	51	232
	-	-	-	-	-	-
1.8 Youth in agriculture	236	252	187	198	150	1,022
1.8.1 Build capacity of GOK and Service Providers	20	25	30	35	20	130
1.8.2 Support development of curricula for farming as a business	20	20	20	20	20	100
1.8.3 Support development and promotion of virtual learning in agriculture	26	37	42	48	15	167
1.8.4 Develop and promote modalities for land leasing by youth	100	100	-	-	-	200
1.8.5 Support agricultural youth clubs in schools and colleges	50	50	75	75	75	325

1.8.6 Facilitate youth access to credit from agricultural credit schemes and national youth funds	20	20	20	20	20	100
	-	-	-	-	-	-
1.9 Urban and peri-urban agriculture	1,462	1,544	1,629	1,718	1,510	7,863
1.9.1 Promote appropriate technologies	510	540	571	603	486	2,710
1.9.2 Develop and promote virtual learning	415	438	462	487	438	2,239
1.9.3 Promote best practices on food handling and safety	537	566	596	628	586	2,913
	-	-	-	-	-	-
1.10 Promotion of e-Extension and information management	882	917	798	756	791	4,143
1.10.1 Develop system for e-Extension	408	428	449	466	490	2,241
1.10.2 Capacity building on e-extension	125	135	145	116	122	643
1.10.3 Support information desks and networks	119	129	139	109	114	609
1.10.4 Information collection and management	230	225	65	65	65	650
	-	-	-	-	-	-
2. Promote private sector participation	7,034	7,285	7,491	7,395	7,507	36,712
2.1 Capacity building in Arid Areas	195	201	208	215	224	1,043
2.1.1 Strengthen delivery of research and extension services	150	155	160	165	172	802
2.1.3 Promote contracting of private sector services	45	46	48	50	52	241
	-	-	-	-	-	-
2.2 Capacity building in semi-arid areas.	506	531	555	480	509	2,581
2.2.1 Support development of appropriate primary producers organisations	124	130	140	150	160	704
2.2.2 Strengthen delivery of extension service in semi-arid areas.	347	365	375	282	295	1,664
2.2.3 Promote contracting of private sector in services delivery	35	36	40	48	54	213
	-	-	-	-	-	-
2.3 Capacity building in HRAs	440	458	470	484	504	2,355
2.3.1 Strenthen farmers organisations with appropriate business and management skills	64	66	68	71	79	348
2.3.2 Promote development of joint ventures, linkages and partnerships for value addition in cooperatives.	58	61	61	61	61	301
2.3.3 Promote establishment of strategic cooperatives and farmer organizations.	58	61	61	61	61	301
2.3.4 Strengthen supervisory capacity of SASRA	20	20	20	20	20	

						100
2.3.5 Strenthen governance capacity for SACCOS and cooperatives	40	40	40	40	40	200
2.3.6 Promote private forestry and SMEs development	200	210	221	232	243	1,105
	-	-	-	-	-	-
2.4 Improve access to agricultural inputs and credit	3,073	3,175	3,278	3,181	3,184	15,890
2.4.1 Promote access to credit and insurance services	3,000	3,000	3,000	3,000	3,000	15,000
2.4.2 Operationalise the Innovation Fund for Agriculture	-	100	200	100	100	500
2.4.3 Support linkages between farmers and seeds and inputs suppliers	20	20	20	20	20	100
2.4.4 Enhance access to credit for market development in arid areas	27	28	29	31	33	148
2.4.5 Enhance access to credit for market development in semi-arid areas	26	27	28	30	31	142
	-	-	-	-	-	-
2.5 Support for appropriate research and technology developmemt	2,822	2,920	2,980	3,035	3,086	14,843
2.5.1 Promote research activities in arid areas	265	270	275	280	285	1,375
2.5.2 Research, technology development and dissemination in semi-arid areas.	232	243	250	265	275	1,265
2.5.3 Research, technology development and dissemination in HRAs.	350	355	360	365	370	1,800
2.5.4 Fisheries Research	935	985	1,000	1,000	1,000	4,920
2.5.5 Support to irrigation research	540	567	595	625	656	2,984
2.5.6 Other agricultural research	500	500	500	500	500	2,500
	-	-	-	-	-	-
3.Promoting sustainable land and natural resources management	15,932	16,743	17,422	18,054	18,685	86,836
3.1 Drought cycle management.	292	281	351	351	351	1,624
3.1.1 Provide borehole water.	155	155	200	200	200	910
3.1.2 Establish early warning systems.	55	41	41	41	41	217
3.1.3 Establish community based irrigation schemes	70	75	100	100	100	445
3.1.4 Develop drought reserve areas.	12	10	10	10	10	52
	-	-	-	-	-	-
3.2 Pastoralists Natural resource management.	150	163	171	178	186	848

3.2.1 Put in place measures to minimize human–wildlife conflict.	17	19	21	23	25	104
3.2.2 Protect indigenous environmental knowledge and practices.	13	15	16	18	19	81
3.2.3 Promote construction of water-harvesting facilities.	110	120	124	128	132	614
3.2.4 Promotion of herbal gardens	10	10	10	10	10	50
	-	-	-	-	-	-
3.3 Water harvesting and storage in semi-arid areas.	9,534	10,010	10,511	11,036	11,588	52,679
3.3.1 Multipurpose dams (2 large dams and 3 medium size dams).	6,376	6,694	7,029	7,381	7,750	35,229
3.3.2 Local water harvesting	3,068	3,221	3,382	3,551	3,729	16,951
3.3.3 Processing and Marketing of produce from irrigation schemes.	90	95	100	105	110	499
	-	-	-	-	-	-
3.4 Rehabilitate land and protect water sources	4,125	4,446	4,529	4,610	4,683	22,392
3.4.1 Identify and target degraded agricultural land for rehabilitation programs.	200	200	200	200	200	1,000
3.4.2 Rehabilitate water towers (harmonise MOWI and MFW)- this budget is only for forestry	500	500	500	500	500	2,500
3.4.3 Piloting of payment for environmental services	100	105	110	116	122	553
3.4.4 Forest cover mapping	100	105	110	116	122	553
3.4.5 Forestry and livelihoods improvement for communities	250	250	250	263	276	1,288
3.4.6 Establish community based forestry resource centres	25	26	28	29	30	138
3.4.7 Rehabilitate other catchment areas (this includes arid and semi-arid areas).	1,000	1,000	1,000	1,000	1,000	5,000
3.4.8 Rehabilitate other catchment areas river basins in the HRA (include arid and semi-arid areas).	1,000	1,000	1,000	1,000	1,000	5,000
3.4.9 Establish Forest conservation and management fund	-	250	250	250	250	1,000
3.4.10 Implement agricultural farm forestry rules and agroforestry (inc. agri &forestry)	350	400	450	480	510	2,190
3.4.11Profitable management of Prosopis spp (livestock and forestry)	100	100	100	116	122	537
3.4.12 Promote ecotourism for forest adjacent communities	100	100	100	100	100	500
3.4.13 Promote plantation establishment for livelihood improvement scheme	200	200	210	221	232	1,062
3.4.14 Promote sustainable management of forest resources	200	210	221	221	221	1,072
	-	-	-	-	-	-

3.5 Climate Change Adaptation and Mitigation	560	571	590	608	627	2,955
3.5.1 Build capacity for climate change adaption and mitigation ASALs	43	46	51	55	60	255
3.5.2 Build capacity for climate change adaptation and mitigation for HRAs (Forestry)	188	191	195	197	200	971
3.5.3 Capacity development for dryland forestry ASALs	100	100	100	100	100	500
3.5.4 Capacity development for tree growing and management in HRAs	199	202	211	221	231	1,064
3.5.5 Capacity development for carbon trading and financing	30	32	33	35	36	166
	-	-	-	-	-	-
3.6 Promote integrated transboundary water resources	1,272	1,272	1,272	1,272	1,250	6,337
3.6.1 Finalise agreements on transboundary water use	22	22	22	22	-	87
3.6.2 Develop and manage trans-basin water transfer	1,250	1,250	1,250	1,250	1,250	6,250
	-	-	-	-	-	-
4. Improve environment for agricultural services delivery	6,686	5,914	4,915	4,167	4,235	25,918
4.1 Improve legal and regulatory framework	3,009	2,005	1,000	500	500	7,014
4.1.1 Operationalise the Consolidated Agricultural Legislation	3,000	2,000	1,000	500	500	7,000
4.1.2 Finalise the enactment and operationalising of livestock and fisheries legislation	9	5	-	-	-	14
	-	-	-	-	-	-
4.2 Enhancing accessibility to water and land resource use in arid areas	42	32	33	33	34	174
4.2.1 Develop regulations for implementing land and water policies in arid areas.	21	11	11	11	12	64
4.2.2 Establish policy to guarantee land availability for continued pastoralism.	11	12	12	12	13	60
4.2.3 Implement land and water related regulations in arid lands	10	10	10	10	10	50
	-	-	-	-	-	-
4.3 Enhance accessibility to water and land resource use in the semi-arid areas.	20	20	10	10	10	70
4.3.1 Develop regulations for implementing land and water policies in semi arid areas.	20	10	-	-	-	30
4.3.2 Implement land and water related regulations in semi arid lands.	-	10	10	10	10	40
	-	-	-	-	-	-
4.4 Protect land for agriculture in the HRA from encroachment by development for other uses.	3,030	3,134	3,143	2,861	2,892	15,059
4.4.1 Develop a national land-use master plan	367	398	318	19	20	1,123

4.4.2 Develop a policy on urban and peri-urban agriculture.	10	11	12	12	13	58
4.4.3 Lobby County governments to implement laws on land use.	80	100	103	105	108	496
4.4.4 Harmonize regulations for management catchment areas	42	44	46	49	51	232
4.4.5 Create land bank for investment and youth in Agric.	1,060	1,060	1,063	1,066	1,069	5,319
4.4.6 Undertake Land Reforms	300	300	293	275	258	1,426
4.4.7 Enforce existing laws applicable to land use.	1,156	1,206	1,309	1,334	1,372	6,377
4.4.8 Develop organic agricultural policy	10	10	-	-	-	20
4.4.9 Finalise legal framework for ware-house receipting system	5	5	-	-	-	10
	-	-	-	-	-	-
4.5 Other Policies	586	724	729	763	799	3,601
4.5.1 Develop policy on youth in agriculture	11	7	0	0	0	17
4.5.2 Develop a policy on social forestry development	-	120	126	132	139	517
4.5.3 Finalising and implementing irrigation and related policies and Masterplan	500	525	551	579	608	2,763
4.5.4 Finalise and implement veterinary policy	10	10	5	5	5	35
4.5.5 Implement agriculture gender policy	40	45	46	47	47	225
4.5.6 Review and implement cooperative policy	5	2	1	1	1	8
4.5.7 Finalise and implement forestry policy	5	1	1	0	0	6
4.5.8 Develop organic agricultural policy	10	10	-	-	-	20
4.5.9 Finalise legal framework for ware-house receipting system	5	5	-	-	-	10
	-	-	-	-	-	-
5. Increasing market access, competitiveness and trade	13,749	13,751	14,022	14,108	14,206	69,837
5.1 Development of marketing channels in Arid Areas.	1,548	1,361	1,374	1,388	1,395	7,067
5.1.1 Improve marketing channels for livestock. (MLD)	149	157	164	172	174	817
5.1.2 Promote internal and external trade through reducing of barriers and harmonizing regulations (MLD)	41	44	46	48	50	229
5.1.3 Construct and service abattoirs including livestock auctions.	358	361	364	367	371	1,821
5.1.4 Construction of export compliant slaughter houses (VET)	1,000	800	800	800	800	4,200
	-	-	-	-	-	-

5.2 Developing of marketing channels in semi-arid areas.	400	408	416	424	433	2,081
5.2.1 Marketing of livestock and livestock products (MLD)	45	48	50	52	55	250
5.2.2 Promote internal and external livestock trade(MLD)	105	110	116	122	128	581
5.2.3 Construct and service abattoirs including livestock auctions (VET)	250	250	250	250	250	1,250
5.3 Development of support infrastructure.	10,713	10,721	10,729	10,738	10,746	53,648
5.3.1 Construction and rehabilitation of rural and urban market places	500	500	500	500	500	2,500
5.3.2 Construct cooling and food storage facilities	450	455	460	465	470	480
5.5.3 Build and maintain access roads	500	500	500	500	500	2,500
5.3.4 Rehabilitate livestock sale yards	63	66	69	73	76	348
5.3.5 Fabricate and construct of low cost post harvest technologies	200	200	200	200	200	1,000
5.3.6 Construct, rehabilitate and expand urban and Rural water supply	9,000	9,000	9,000	9,000	9,000	45,000
	-	-	-	-	-	-
5.4 Promotion of value addition.	333	355	373	392	411	1,863
5.4.1 Promote primary processing, preservation and storage of livestock products.	43	45	47	49	52	235
5.4.2 Promote value addition and marketing of rangeland products.	50	53	55	58	61	277
5.4.3 Promote bio-enterprises and supportive credit system.	65	75	79	83	87	388
5.4.4 Promote production, processing and marketing of wood and non-wood forestry products	50	50	53	55	58	266
5.4.5 Promotion of herbal gardens	10	11	11	12	12	55
5.4.6 Promote agribusiness and investments in cottage industries.	45	47	50	52	55	250
5.4.7 Promote utilisation of renewable sources of energy for processing	70	75	79	83	87	393
	-	-	-	-	-	-
5.5 Promoting Internal and External Trade	755	906	1,130	1,167	1,220	5,179
5.5.1 Developing modalities for private busineses to engage in strategic grain reserves	5	5	5	5	5	25
5.5.2 Branding of agricultural products	125	133	135	140	145	678
5.5.3 Establishing grades and standard for agricultural products	37	42	44	49	52	224
5.5.4 Build capacity on sanitary standards						

	104	121	121	101	101	546
5.5.5 Build capacity on phytosanitary standards	55	65	70	75	80	345
5.5.6 Pests and disease surveillance and traceability in crops	40	44	49	54	61	248
5.5.7 Pests and disease surveillance and traceability in fish and livestock	260	367	570	600	626	2,423
5.5.8 Establish standards for forestry standards	80	80	84	88	93	425
5.5.9 Pests and disease surveillance in forests	50	50	53	55	58	266
	-	-	-	-	-	-
6. Promote effective coordination and implementation	414	3,953	450	270	270	5,356
6.1 Enhancing Sectorwide Coordination and complimentarities	143	286	181	220	230	1,059
6.1.1 Support implementation of Sector wide approaches and programming	48	126	61	100	100	434
6.1.2 Support to County planning and coordination on ASDS MTIP and ASDSP	25	10	5	5	5	50
6.1.3 Develop capacity for PPPs	50	50	50	50	50	250
6.1.4 Development of Sector PPP Guidelines	-	50	5	-	-	55
6.1.5 Enhance ASCU Capacity to Drive Sector-wide Approach	20	50	60	65	75	270
	-	-	-	-	-	-
6.2 Promoting Efficient Implementation and Management	272	3,667	270	50	40	4,297
6.2.1 Develop database for cooperatives	50	4	4	4	4	66
6.2.2 Study on capitalization instruments for cooperatives	5	5	1	1	1	12
6.2.3 Study on Ecotourism development	-	10	10	-	-	20
6.2.4 Develop capacity for resource mobilization and management	10	10	10	10	10	50
6.2.5 Implementation of the Agribusiness Strategy	2	25	30	20	10	87
6.2.6 Implementation of the Food and Nutrition Security Policy	2	3	5	5	5	20
6.2.7 Support to other sector policies	3	10	10	10	10	43
6.2.9 Conduct agricultural census	200	3,600	200	-	-	4,000
TOTAL INVESTMENTS	83,472	93,444	94,445	93,978	94,924	460,262

Annex III: MTIP Agricultural Sector Projects

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
1	Adaptation to Climate Change and Insurance Project (GIZ)	MoA	Germany	1,2,3,4	281.3	-	281.3
2	Addressing HIV and Gender Inequities through a Food Security and Nutrition Response in Eastern and Central Africa	MoA	FAO	1,3,5	29.3	-	29.3
3	Africa Lead training	Direct	USAID	1,2	124.1	-	124.1
4	Agriculture Technology Development Centres	MoA	GoK	1,2,3	44.6	44.6	-
5	Agribusiness Support for Smallholders (AbSS) Project	MoA	FAO	2,5	185.5	-	185.5
6	Agricultural Information Resource centre	MoA	GoK	1,2,3,4,5	58.6	58.6	-
7	Agricultural Inputs Supply Project	MoA	IDA/WB	1	375.0	-	375.0
8	Agricultural Training Centres	MoA	GoK	2	40.0	40.0	-
9	Agriculture Machinery services	MoA	GoK	1	398.4	398.4	-
10	Agriculture Recovery	MoA	EDF/EU	1,2	184.5	-	184.5
11	ASPS Programme	MoA	Denmark	1,2,3,4	34.1	23.7	10.4
12	AHITI- Kabete, Ndomba and Nyahururu	MoLD	GoK	1	285.6	285.6	-
13	Animal Health Regional Programmes - Kenya Component	MoLD	EDF/EU	1,2,5,6	615.5	615.5	-
14	Animal Production Farms	MoLD	GoK	1,3,6	141.0	141.0	-
15	Animals Production Services	MoLD	GoK	1,6	281.4	281.4	-
16	Arid Lands Resource Management Project	MoSP	IDA/WB	1,2,3,4	1,238.9	-	1,238.9
17	Artificial Insemination Services	MoLD	GoK	1,2,6	112.8	112.8	-
18	ASAL-Based Livestock &Rural Livelihoods Support (ALLPRO)	MoLD	AfDB	1,2,3,5,6	1,037.6	190.8	846.7
19	AWARD	Direct	USAID	2	70.8	-	70.8
20	Building Capacity to Improve Safety in the Feed -Dairy Chain	UoN	Finland	1,3,5,6	97.7	-	97.7
21	Bukura Agricultural College	MoA	GoK	1,6	80.0	80.0	-
22	Central Kenya Dry Areas Community Development Project	MoPND	IFAD	1,2,3	120.0	-	120.0
23	Central Veterinary Laboratory Services	MoLD	GoK	1,2,5,6	191.3	191.3	-
24	Climate Change Unit	MoA	GoK	3	95.0	95.0	-
25	Coffee development fund	MoA	GoK	1,5	620.0	620.0	-
26	Coffee research Foundation	MoA	GoK	1	30.0	30.0	-
27	Coffee Support	MoA	EDF/EU	1,2,5	407.5	312.5	95.0
28	Community Agricultural Development Project in Semi Arid Lands	MoA	Japan	3,6	37.1	20.5	16.6
29	Community Development Trust Fund (CDTF)	MoF	EDF/EU	1,2,3,4,5,6	7,503.8	-	7,503.8
30	Construction of 31 Slaughter Houses	MoLD	GoK	1,2,5,6	2,697.7	2,697.7	-
31	Construction of Rural Water supply	MoWI	GoK	1,3,7	6,579.6	6,579.6	-
32	Headquarters Administrative and technical services	MoWI	GoK	6	22.0	22.0	-
33	Cooperative Advisory & Extension Services	MoCDM	GoK	2	159.6	159.6	-
34	Cooperative Education and Training	MoCDM	GoK	1,2	617.6	617.6	-
35	Cooperative Governance and Accountability	MoCDM	GoK	1	105.0	105.0	-
36	Cooperative Marketing	MoCDM	GoK	5	354.4	354.4	-
37	Dairy Training Institute - Naivasha	MoLD	GoK	1,2,5	68.0	68.0	-
38	Development of a GIS- based Land Information Management System	MoL	Sweden	2,3,7	2,600.0	-	2,600.0

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
39	Development planning services (MoA contribution to ASCU)	MoA	GoK	6	32.0	32.0	-
40	Disease and Pest Control Services	MoLD	GoK	1,2,5,6	2,178.0	2,178.0	-
41	District Livestock Production Services	MoLD	GoK	1,2,3,5,6	396.6	396.6	-
42	District Veterinary Services Buildings	MoLD	GoK	1,2,6	506.1	506.1	-
43	Accelerated development of Northern Kenya and other arid lands	MoDNK	GoK	2,7	12,024.4	12,024.4	-
44	Dryland Farming	MoA	EDF/EU	2,3	33.0	-	33.0
45	Eastern Africa Agricultural Productivity Project (EAAPP)	MoA	IDA/WB	1,2,5,6	1,292.3	68.8	1,223.5
46	Farmer Field Schools in support of improved cassava and disease management in Kenya	MoA	FAO	1,2,6	6.2	-	6.2
47	Feed the Future Activities (TBD)	Direct	USAID	1,2,5	5,808.0	-	5,808.0
48	Financial Inclusion for Rural Microenterprises	Direct	USAID	2	1,590.0	-	1,590.0
49	Food Facility Agricultural Productivity via World Bank	MoA	EDF/EU	1	1,082.4	-	1,082.4
50	Food Facility Livestock Sector	MoLD	EDF/EU	1,2,3,5	127.8	127.8	-
51	Food for Assets	MoSP	WFP	1	230.0	-	230.0
52	Food Safety Net Project via WFP	MoSP	EDF/EU	2,3	900.6	-	900.6
53	Forestry plantation development	MoFW	GoK	1,2,3,5,6	1,406.5	1,406.5	-
54	Green Zones Development Support	MoFW	AfDB	1,2,3	1,331.6	-	1,331.6
55	Griftu Pastoral Training Centre	MoLD	GoK	1,2,3,5	98.3	98.3	-
56	IGAD Livestock Policy Initiative	MoLD	FAO	1,6	19.8	-	19.8
57	Improve Livelihoods in targeted Draught Affected Communities in Kenya	MoA	FAO	1,3,5	110.2	-	110.2
58	Improving Impact of Emergence Response (IIER)	MoA	FAO	1,3,5	184.2	-	184.2
59	Mt Kenya East Pilot Project for Natural Resources Management plus GEF (MKEPP)	MoWI	IFAD	1,2,5,6	1,282.7	401.2	881.5
60	Arid Lands Resource Management Project	MoDNK	GoK	1,3	821.6	821.6	-
61	Kenya Rural Development Programme (KRDP)	MoDNK	EDF/EU	1,2,3	2,571.4	-	2,571.4
62	Kenya Adaptation to climate change in arid and semi arid lands (KACCAL)	MoDNK	UNDP	1,2,3,6	200.3	115.3	85.0
63	Kenya Agricultural Productivity and Agribusiness Project (KAPAP)	MoA	IDA/WB	1,2,4,5,6	8,474.5	850.0	7,624.5
64	Kenya Agricultural Productivity and Sustainable Land Management Project (KAPSLM)	MoA	IDA/WB	1,3	874.3	26.0	848.3
65	Kenya Coastal Development Project	MoFD	IDA/WB	1,2,3,5	2,340.0	-	2,340.0
66	Kenya Dairy Sector Competitiveness Program	Direct	USAID	2	1,064.3	-	1,064.3
67	Kenya Drylands Livestock Development Program	Direct	USAID	1,2,5	884.1	-	884.1
68	Kenya Horticulture Competitiveness Program	Direct	USAID	1,2,5,6	2,596.4	-	2,596.4
69	Kenya Maize Development Program	Direct	USAID	1,2,5	1,064.3	-	1,064.3
70	Kenya Rice Promotion Project	MoA	Japan	1,2,3,5	128.0	128.0	-
71	Kenya REDD+ Readiness	MoFW	IDA/WB	3	306.0	-	306.0
72	Kenya Sugar Research Foundation	MoA	GoK	1	157.0	157.0	-
73	Kenya UN Joint Programme of Support on HIV and AIDS	MoA	FAO	1,3,5	41.1	-	41.1
74	Kenya Veterinary Board	MoLD	GoK	1,2,4,5,6	116.0	116.0	-
75	Kenya Youth Empowerment Project	MoEMR	IDA/WB	1,2,3,4,6	5,100.0	147.5	4,952.5

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
76	KEPHIS (Laboratory)	MoA	GoK	1	40.0	40.0	-
77	Kilimo House refurbishment/Construction of DAOs Offices	MoA	GoK	2	605.9	605.9	-
78	Kimira-Oluch Smallholder Farm Improvement	MoRDA	AfDB	1,2,3,5,6	1,429.3	-	1,429.3
79	Land Reform Programme	MoL	Sweden	2,3,7	7,600.0	7,600.0	-
80	Land Registries	MoL	GoK	2,3,7	2,080.0	2,080.0	-
81	Leather Development	MoLD	GoK	1,2,5,6	540.9	540.9	-
82	Livestock Breeding and Laboratory Services	MoLD	GoK	1,3	42.3	42.3	-
83	Livestock Information Services	MoLD	GoK	1,5	49.8	49.8	-
84	Livestock Production Support Services	MoLD	GoK	1,3,5,6	3,705.9	3,705.9	-
85	Mainstreaming Sustainable land management in agro-pastoralist areas of Kenya	MoLD	UNDP	1,2,3,5,6	802.2	459.6	342.6
86	Market Infrastructure- Western Kenya	MoR	Germany	5,6	1,880.0	-	1,880.0
87	Meat Inspectorate Services Building	MoLD	GoK	1,5,6	2,517.1	2,517.1	-
88	Meat Training School Athi River	MoLD	GoK	1,2,5	57.4	57.4	-
89	Miti Mingi Maisha Bora (Support to Forest Sector Reforms)	MoFW	Finland	1,2,3,4,6	2,736.9	507.9	2,229.0
90	Development Planning	MoWI	GoK	6	17.3	17.3	-
91	National Accelerated Agriculture Inputs Access Program (NAAIAP)	MoA	GoK	1,2	6,950.0	6,950.0	-
92	National Agriculture and Livestock Extension Programme (NALEP)	MoA	GoK	1,2,3,4,5	813.6	813.6	-
93	National Bee Keeping Station Lenana	MoLD	GoK	1,3,5	82.4	82.4	-
94	National Forest Facility Programme	MoFW	FAO	2,3,6	18.8	3.0	15.8
95	Kenya Water Institute	MoWI	GoK	1,3,7	299.8	299.8	-
96	National Sericulture Station- silk processing and silkworm rearing house	MoA	GoK	1,2,5	9.3	9.3	-
97	National Spatial Plan	MoL	GoK	2,3,7	590.0	590.0	-
98	Natural Resource Management Project.	MoFW	IDA/WB	1,2,3,4,7	3,493.5	-	3,493.5
99	New Cooperatives Ventures	MoCDM	GoK	5	64.5	64.5	-
100	Njaa Marufuku Kenya (NMK)	MoA	GoK	1,2,3,5	375.4	375.4	-
101	Office Construction/Refurbishment	MoCDM	GoK	2	328.4	328.4	-
102	Panafrican Trypanosomiasis and Tsetse Eradication Campaign (PATTEC)	MoLD	AfDB	1,2,3,6	100.8	-	100.8
103	Policy implementation and coordination	MoCDM	GoK	2,5	383.8	383.8	-
104	Policy reviews	MoA	GoK	4	28.0	28.0	-
105	Potato Seed Multiplication	MoA	GoK	1	139.0	139.0	-
106	Program for Biosafety Systems Program	Direct	USAID	2	31.0	-	31.0
107	Programme for Agriculture and Livelihoods in Western Communities in Kenya (PALWECO)	MoPND	Finland	1,2,3,5,6	2,552.4	34.4	2,518.0
108	Programme for Rural Outreach of Financial Innovations and Technologies	MoF	IFAD	1,2,5	293.0	-	293.0
109	Promara Program (for the Mara River)	Direct	USAID	1,2,3	595.0	-	595.0
110	Promoting private partnerships for sustainable land management in the drylands	MoFW	UNDP	2,3,5	1,011.5	680.0	331.5
111	Promotion of Private Sector Development in Agriculture (PSDA)	MoA	Germany	1,2,5,6	194.9	14.9	180.0
112	Provincial Livestock Production Services - Buildings	MoLD	GoK	1,2,5,6	33.0	33.0	-
113	Disaster Emergence Response Coordination	MoDNK	GoK	7	6,906.3	6,906.3	-

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
114	Natural Resource Management Programme - Medium Term Asal Programme (MTAP)	MoDNK	Denmark	2,3,6	1,190.8	-	1,190.8
115	Purchase for progress	MoSP	WFP	1	23.5	-	23.5
116	Regional initiative in support of vulnerable pastoralists and agro-pastoralists in the Horn of Africa	MoLD	FAO	1,3,5	118.7	-	118.7
117	Regional Support Programme for Coordination and Technical Assistance to Draught Risk Management in the Horn of Africa	MoLD	FAO	6	28.2	-	28.2
118	Rehabilitation of four livestock marketing infrastructure facilities	MoLD	GoK	1,2,5	49.8	49.8	-
119	ReSAKSS	Direct	USAID	5	88.5	-	88.5
120	Restoration of Farm Infrastructure	MoSP	AfDB	1,6	1,397.1	-	1,397.1
121	Rural Roads Mt Kenya (KfW)	MoR	Germany	5,6	600.0	-	600.0
122	Sector Coordination (ASCU)	ASCU	EDF/EU	6	363.4	-	363.4
123	Sheep and Goats Stations	MoLD	GoK	1,3,6	140.4	140.4	-
124	Headquarters and Professional Services	MoWI	GoK	6,7	11,212.7	9,082.2	2,130.5
125	Smallholder Dairy Commercialization Project (SDCP)	MoLD	IFAD	1,2,4,5,6	608.1	86.1	522.0
126	Smallholder Horticulture Empowerment and Promotion Unit Project (SHEP UP)	MoA	Japan	1,2,5	291.9	188.3	103.6
127	Smallholder Horticulture Development Programme (SHoMaP)	MoA	IFAD	1,5	1,097.0	-	1,097.0
128	Smallscale Horticulture Development Project (SHDP)	MoA	AfDB	1,2,3,4	1,066.7	262.4	804.3
129	Southern Nyanza Community Development Project (SNCDP)	MoPND	IFAD	1,2,3,7	522.0	-	522.0
130	Strategic planning and policy development	MoCDM	GoK	6	122.4	122.4	-
131	Strengthening Fish Production through Adoption of Improved Aquaculture Technology	MoFD	FAO	1	22.7	-	22.7
132	Strengthening Pesticide Lifecycle Management in Kenya	MoA	FAO	1,3,5	42.5	-	42.5
133	Sugar Support via KSB	MoA	EDF/EU	1,2	1,077.8	-	1,077.8
134	Support to Aquaculture Development (Aquaculture policy & Strategy, Aquaculture Research)	MoFD	FAO	1,3,5,6	6.0	-	6.0
135	Support to Capacity building to promote formal marketing and trade of livestock and livestock products from the Horn of Africa (IGAD)	MoLD	FAO	3,6	8.5	-	8.5
136	Support to Community Based Farm Forestry Enterprises Project (using Japan Social Development Fund (JSDF))	MoFW	Japan	1,2,3,5	131.7	-	131.7
137	Support to Development of Markets and Linkages for Aquaculture Products	MoFD	FAO	1,3,5,6	8.5	-	8.5
138	Support to pastoral and Agropastoral Communities affected by the effect of draught	MoLD	FAO	1,3,5,6	177.0	-	177.0
139	Support to Pastoral and Agropastoral Communities affected by the La Nina Phenomena	MoLD	FAO	1,3,5,6	57.0	-	57.0

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
140	Support to the Commonwealth Secretariat for the preparation of strategies for maximizing the benefits of migration and remittances for pro-poor sustainable development and food security	MoLD	FAO	1,2,3,4,5,6	5.3	-	5.3
141	Support to the Development of Improved Policies and institutions to foster Agribusiness and Agro industries for Economic and rural development	MoA	FAO	1,2,5	193.8	-	193.8
142	Support to the Ministry of Co-operative Development & Marketing	MoCDM	FAO	1,5	3.1	-	3.1
143	Support to the Subsidiary Legislation of the Kenya Forests Act, 2005.	MoFW	FAO	4	5.4	-	5.4
144	Rural ,Urban and special water programmes(Headquarters)	MoWI	GoK	1,7	65.0	65.0	-
145	Supporting CA for SARD - (Climate Change Adaptation)	MoFW	FAO	1,2,3,5	13.0	-	13.0
146	Supporting Food Security and reducing Poverty in Kenya and Tanzania (GIAHS)	MoA	FAO	3	46.8	-	46.8
147	Sustainable Livelihood Development in the Mau Forest Complex	MoFW	FAO	1,2,3,5	38.3	-	38.3
148	Tea research Foundation	MoA	GoK	1	60.0	60.0	-
149	Tick Control Programme	MoLD	GoK	1,2,6	23.1	23.1	-
150	Traditional High Value Crops Project	MoA	GoK	1,2	1,051.0	1,051.0	-
151	Construction of urban Water Supplies	MoWI	GoK	7	3,370.2	3,370.2	-
152	Urban Farming	Direct	EDF/EU	1,2	32.5	-	32.5
153	Veterinary Farm Development	MoLD	GoK	1,2,5	91.1	91.1	-
154	Veterinary Investigation Laboratory Services	MoLD	GoK	1,2,5	507.7	507.7	-
155	Water Resources- Pollution Control	MoWI	GoK		24.0	24.0	-
156	Water Harvesting	MoA	GoK	1,2,3	4,121.0	4,121.0	-
157	Integrated ASAL programs	MoWI	Switzerland	1,3	1,295.4	1,271.4	24.0
158	Construction of Sewerage	MoWI	GoK	3,7	1,134.0	1,134.0	-
159	National Irrigation Board	MoWI	Japan	1,3	7,154.2	5,347.2	1,807.0
160	Irrigation and Land Reclamation	MoWI	GoK	1,3,4,6	2,749.0	2,012.8	736.2
161	Support to vulnerable/food insecure households through promotion of small scale irrigation and drought tolerant crops in Kenya interventions	MoWI	FAO	1,2,3	103.8	-	103.8
162	Turkana Rehabilitation project	MoWI	GoK	1,3	83.4	83.4	-
163	Water Conservation and Dam Construction	MoWI	GoK	3,7	12,416.5	12,416.5	-
164	Water resources -Headquarters	MoWI	GoK	3,6,7	3,393.4	3,393.4	-
165	Water Services Boards	MoWI	EDF/EU	1,3,7	66,755.4	14,515.4	52,240.0
166	Water Services Trust Fund	MoWI	EDF/EU	3	270.0	270.0	-
167	Arid and semi arid lands forestry	MoFW	GoK	1,2,3,5,6	1,833.7	1,833.7	-
168	Catchments and natural forest conservation	MoFW	GoK	1,2, 3,4,5,6	1,523.9	1,523.9	-
169	Forestry Training College	MoFW	GoK	1,2,3,6	16.5	16.5	-
170	Kenya Forestry Research Institute	MoFW	GoK	1,2,3,4,5,6	220.0	220.0	-
171	Agricultural Sector Development Support Programme (ASDSP)	MoA	Sweden	1,2,3,4,5,6	5,087.0	-	5,087.0
172	Auction Centre	MoFD	GoK	1,5	51.1	51.1	-
173	Construction of Office	MoFD	GoK	2	46.6	46.6	-

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
174	Construction at Gatamayu Fish camp	MoFD	GoK	1,2,3	19.0	19.0	-
175	Construction of fish landing Banda	MoFD	GoK	1,5	11.1	11.1	-
176	Construction of Fish market- Old town Mombasa	MoFD	GoK	1,5	46.3	46.3	-
177	Construction of jetty- L. Victoria	MoFD	GoK	1,5	1.5	1.5	-
178	Construction of Quality Assurance Lab	MoFD	GoK	5,6	5.0	5.0	-
179	Cold storage	MoFD	GoK	1,2,5	96.1	96.1	-
180	Fish Farming Enterprise and Productivity Programme under Economic Stimulus Programme	MoFD	GoK	1,2,5,6	5,706.0	5,706.0	-
181	Improve fingerling Production	MoFD	GoK	1,2,3,6	154.5	154.5	-
182	Installation of Ice Plant- Vanga landing Site	MoFD	GoK	1,2,5	6.0	6.0	-
183	Installation of Vessel Monitoring System	MoFD	GoK	1,3,6	30.0	30.0	-
184	Fish farmers training centre	MoFD	GoK	1,2,6	82.0	82.0	-
185	Save the Nile Perch	MoFD	GoK	1,2,3,5,6	48.0	48.0	-
186	Coffee Farmers Debt Waiver	MoCDM	GoK	5	4,000.0	4,000.0	-
187	Livestock Administration and Planning	MoLD	GoK	1,2,3,5,6	6,923.9	6,923.9	-
188	Headquarters Administrative Services	MoRDA	AfDB	1,2,3,5,6	1,907.0	1,734.6	172.4
189	Kerio Valley Development Authority	MoRDA	Italy	1,2,3,5,6	1,821.4	1,426.2	395.2
190	Rural Development Services Coordination	MoRDA	AfDB	1,2,3,5,6	4,683.0	2,639.2	2,043.8
191	TARDA	MoRDA	EDF/EU	1,2,3,5,6	1,847.4	1,603.0	244.4
192	LBDA	MoRDA	GoK	1,2,3,5,6	1,411.9	1,411.9	-
193	ENSDA	MoRDA	GoK	1,2,3,5,6	771.4	771.4	-
194	CDA	MoRDA	GoK	1,2,3,5,6	1,690.6	1,690.6	-
195	ENDA	MoRDA	AfDB	1,2,3,5,6	6,592.4	5,142.2	1,450.2
196	Headquarters Administrative Services	MoEMR	GoK	3,7	562.0	562.0	-
197	Lake Victoria Environment Management Project	MoEMR	IDA/WB	1,2,3,4,5,6	2,040.0	-	2,040.0
198	Development Planning services Division	MoEMR	EDF/EU	7	132.0	120.8	11.2
199	Mineral Survey and Exploration	MoEMR	GoK	7	488.6	488.6	-
200	Resource Survey and Remote Sensing	MoEMR	GoK	7	915.0	915.0	-
201	Climate Change enabling activities	MoEMR	UNDP	1,2,3,4	281.4	90.1	191.3
202	Institutional Strengthening Ozone depleting Substance Management	MoEMR	UNEP	7	31.6	18.0	13.6
203	Directorate of Environment	MoEMR	Denmark	7	6,693.5	6,641.1	52.4
204	National Environment Management Authority	MoEMR	Denmark	7	458.3	355.1	103.2
205	Meteorological Services	MoEMR	GoK	3,7	1,285.3	1,285.3	-
206	A globally Integrated African Soil Information Services (AFSIS)	KARI	AGRA	1	4.7	-	4.7
207	Agro-food system for the rural poor	KARI	IDRC	1	1.4	-	1.4
208	Assessing the current status of biofuel production, processing utilization in parts of Kenya	KARI	NCST	3	1.0	-	1.0
209	Bee Keeping	KARI	Ford Foundation	1	1.4	-	1.4
210	Breeding for biotic and abiotic stresses	KARI	PABRA	1	0.4	-	0.4
211	Breeding maize for improved resistance to Gray Leaf Spot with acceptable levels of resitance to other multiple foliar diseases in moist mid-altitude zones of Western Kenya	KARI	Rockefeller	1,3	6.7	-	6.7

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
212	Climate Change Adaptation for Smallholder Agriculture in Kenya	KARI	ASARECA	1,2,3,4	0.9	-	0.9
213	Collecting of wild relatives of sorghum, millets and cowpeas	KARI	GCDT	1	2.1	-	2.1
214	Commercialisation of oil palm in Western Kenya thro the value chain approach	KARI	TechnoServe	2,5	2.1	-	2.1
215	Comprehensive analysis and initial exploitation of resistance to wheat stem rust race UG99	KARI	RFPP	1,3	0.0	-	0.0
216	Developing early bulking cassava varieties with acceptable agronomic and end-user preferences	KARI	AGRA	1,3	16.9	-	16.9
217	Development and deployment of maize varieties with improved resistance to maize streak virus and other foliar diseases for mid-altitude areas of Kenya	KARI	ASARECA	1,3	15.7	-	15.7
218	Development of drugs for HAT	KARI	BMGF	3	9.7	-	9.7
219	Development of farmer acceptance high yielding blast disease, striga, lodging and drought resistant finger millet varieties for Western Kenya	KARI	McKnight Foundation USA	1,3	15.8	-	15.8
220	Development of maize hybrids with resistance to MSV and other foliar diseases for the mid-altitude areas of Kenya.	KARI	AGRA	1,3	17.0	-	17.0
221	Development of maize varieties with tolerance to low soil pH	KARI	McKnight Foundation USA	1,3	1.0	-	1.0
222	Development of sorghum hybrids for small holder farming communities in semi-arid Kenya	KARI	AGRA	1,3	16.6	-	16.6
223	Development of sweet potato varieties in Central Rift of Kenya through farmer participatory approach	KARI	AGRA	1,3	0.1	-	0.1
224	Development, Promotion and maintenance of improved Maize varieties for the dry and humid regions of Kenya	KARI	AGRA	1,3	31.8	-	31.8
225	Differentiating among female and male bean variety preferences in a range of dynamic scenarios	KARI	CIAT/PABRA	1,3	0.0	-	0.0
226	Drought tolerance phenotyping of the GCP maize inbred line reference set	KARI	GCDT	1,3	2.3	-	2.3
227	Early adoption of improved bean varieties in semi-arid Kenya	KARI	BMGF	1,3	0.6	-	0.6
228	Economic post-harvest maize losses due to pests in ASALs	KARI	CIMMYT	1,3	0.5	-	0.5
229	Efficacy of Nimbecidine EC against cotton pests	KARI	Osho Chemicals	1,3	0.1	-	0.1
230	Efficacy trials of pesticides	KARI	PCPB	1	1.0	-	1.0
231	Endosymbionts	KARI	IAEA	3	1.4	-	1.4
232	Enhancing capacity of national cassava research program to diagonize characterize monitor and sustainably manage	KARI	BMGF	3	2.1	-	2.1
233	Enhancing ecologically Resilient Food Security Through Innovative Farming Systems In the Semi-Arid Midlands of Kenya	KARI	CIAT/PABRA	1,3	225.2	-	225.2

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
234	Enhancing food security through improved seed systems and varieties of cassava and sweet potato resilient to climate change in Eastern Africa	KARI	ACIAR	1,3	12.7	-	12.7
235	Establishment and Maintenance of Yellow Passion Fruit MotherBlock for seed/seedling production	KARI	ASARECA	1	2.5	-	2.5
236	Evaluation of different Deltapine cotton varieties	KARI	Monsanto	1	1.8	-	1.8
237	Evaluation of Drought Tolerant Maize Varieties in Mount Kenya Region	KARI	CIMMYT	1,3	0.2	-	0.2
238	Evaluation of Grevia spp, maytennus spp and other forbs as protein supplement for ruminant livestock during the dry season	KARI	NCST	1,3	2.0	-	2.0
239	Evaluation of KOPIA Thresher	KARI	KOREA/ KOPIA	1,2	0.4	-	0.4
240	Evaluation of vegetation chronosequence and ecosystems resilience with Naivasha and Baringo wetlands.	KARI	Universty of Bonn	3	10.5	-	10.5
241	Finger millet Genetic and cultivation improvement, Technology Dissemination and Seed system Enhancement in the Eastern Horn of Africa Region	KARI	AGRA	1,3	21.6	-	21.6
242	Ford Foundation – ALV	KARI	Ford Foundation	1	1.5	-	1.5
243	Formulation of Trichoderma harzianxum, an antagonist of Armillaria root rot fungus of Tea	TRFK	NCST	1	1.7	-	1.7
244	Genetic information systems	KARI	IAEA	1	0.0	-	0.0
245	Great lakes cassava initiative in western Kenya	KARI	CIMMYT	1	0.2	-	0.2
246	Improved Maize for Africa Project (IMAS)	KARI	ASARECA	1,3	2.0	-	2.0
247	Improved maize for African Soils	KARI	BMGF	1,3	86.7	-	86.7
248	Improved Maize for African Soils (IMAS)	KARI	BMGF	1	7.4	-	7.4
249	Improving access of drought tolerant beans to farmers in Tropical Legume 2 project	KARI	CIAT	1,3	13.8	-	13.8
250	Improving bean productivity and production in drought prone areas of Kenya	KARI	IFPRI	1,3	2.8	-	2.8
251	Improving Smallholder Maize Productivity in Western Kenya through Integrated Soil Fertility Management	KARI	PABRA	1,6	20.6	-	20.6
252	Institutionalising PME in the bean programme in KARI centres	KARI	Ford Foundation	1,5	0.6	-	0.6
253	Integrated innovations for Improving Legume productivity, market linkages and Risk Management in Eastern and South Africa	KARI	African Water Facility (AWF)	3	0.8	-	0.8
254	Integrated Land and Water Management in Kibuon and Tende River Catchments	KARI	CIAT	3	159.0	-	159.0
255	Integrated management of water for productivity and livelihood security under variable and changing climatic conditions in ECA	KARI	IAEA	1	20.6	-	20.6
256	Invitro infection of tsetse for samorin	KARI	CIMMYT	1	1.8	-	1.8
257	IRMA	KARI	SIDA-BioInnovate	1,3	2.0	-	2.0
258	Irrigation system (Bore hole)	KARI	IDRC	1,3	9.5	-	9.5

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
259	Making Agri-food Systems Work for the poor in Eastern and Southern Africa	KARI	BioVison Foundation Switerland	1,3	17.3	-	17.3
260	Management of Maize stem borers using the habitat management "Push-pull strategy"	KARI	PABRA	1	3.7	-	3.7
261	Market survey of beans in Kenya	KARI	AGRA	1,3	0.3	-	0.3
262	Multiple Legumes and Management Strategies for Reinvigorating and maintaining the health and productivity of smallholder mixed farming systems	KARI	CIMMYT	1,3	37.1	-	37.1
263	Multiplication of breeder seed of stem borer resistant materials	KARI	AGRA	1,3	0.1	-	0.1
264	Multiplication of high yielding and disease tolerant cassava clones and creation of distribution channels for planting material	KARI	BAYER	1	16.9	-	16.9
265	NATIVO Evaluation Trial	KARI	CCU-Belgium	1	0.2	-	0.2
266	Nutribean	KARI	VICRES	1,3	1.3	-	1.3
267	On – farm integrated fertilizer nutrient management in Upland Relay cropping with legumes	KARI	CIMMYT	1,3	0.6	-	0.6
268	Participatory evaluation of drought tolerant maize varieties in arid and semi arid lands of coastal lowland Kenya	KARI	BMGF	1,3	0.2	-	0.2
269	Pathways to Sustainable Intensification of Maize-Legume based Farming Systems for Food Security in Eastern and Southern Africa	KARI	ACIAR	1,3	95.1	-	95.1
270	Pathways to sustainable intensification of maize-legume based farming systems for food security in eastern and southern Africa (SIMLESA)	KARI	BMZ	1,3	4.0	-	4.0
271	Phenotyping of maize under drought in multiple locations	KARI	GCDT	1,3	9.4	-	9.4
272	Phenotyping sorghum reference set for drought tolerance	KARI	CHE	1	1.2	-	1.2
273	Post Harvest Processing of Irrigated African Leafy Vegetables for Food Security	KARI	MSU-Australia	1	3.0	-	3.0
274	Pre-emptive breeding for Russian wheat aphid	KARI	GoK	1,2,5	0.0	-	0.0
275	Production and Sale of Fruit Tree Rootstocks, Improved Fruit Tree Seedlings, Tissue Culture Bananas, in KSU Katumani	KARI	IDRC	2,5	2.0	-	2.0
276	Pro-poor agro-enterprise development	KARI	CFC	1,2	6.2	-	6.2
277	Regional Cashew improvement Network for Eastern and Southern Africa	KARI	ASARECA	1,2,5	2.5	-	2.5
278	Scaling-up farmer-led seed enterprises for sustained productivity and livelihoods in Eastern and Central Africa	KARI	CIP	1,2	8.2	-	8.2
279	Screening of drought tolerant sweet potato cultivars	KARI	CIP	1,3	0.2	-	0.2
280	Sweet potato varietal development	KARI	CRS	1,3	0.2	-	0.2
281	Targeted in situ diversity description - social factors impact on the structuration of genetic diversity thro varietal nomenclature systems and seed exchange(sorghum) in Kenya	KARI	CIMMYT	1,3	2.2	-	2.2

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
282	Testing of drought and low N tolerant maize varieties in coastal Kenya	KARI	ICRISAT	1,3	0.2	-	0.2
283	Treasure legume project on enhancing productivity of pigeon peas	KARI	ICRISAT	1,2,5	2.0	-	2.0
284	Treasure Legume: Participatory on-farm evaluation of farmer and market preferred groundnut varieties	KARI	GCDT	1,3	3.0	-	3.0
285	Tropical grain legumes and seed diffusion systems	KARI	BMGF	1	5.9	-	5.9
286	Tropical Legume II project, objective 8	KARI	WHO	3	0.7	-	0.7
287	Tsetse ecology and genetics	KARI	AGRA	1,3	7.0	-	7.0
288	Up-Scaling soil and water management technologies and drought tolerant varieties for increased maize productivity	KARI	McKnight Foundation USA	1,3	1.2	-	1.2
289	Using Improved Pulse Crop productivity to reinvigorate smallholder mixed farming systems in Western Kenya	KARI	IAEA	1,2	2.4	-	2.4
290	Veterinary drug monitoring	KARI	AATF	1,3	0.6	-	0.6
291	Water efficient Maize for Africa	KARI	CIMMYT	1	22.1	-	22.1
292	WEMA	KARI	BMGF	1	1.3	-	1.3
293	Xenomonitoring tools for HAT	KARI	CIMMYT	1,3	89.2	-	89.2
294	Yield advantage of drought tolerant maize varieties over the existing varieties in farmer fields	KARI	CIMMYT	2,5	0.5	-	0.5
295	KASAL	KARI	EDF/EU	1,2	282.1	-	282.1
296	Using food aid to stimulate markets and pastoral production	Direct	Oxfam UK	2,5	102.4	-	102.4
297	Camel Restocking: support to households affected by climatic shocks, Turkana	Direct	Oxfam UK	1,2,5	20.2	-	20.2
298	Camel and fodder pastoralist field school: An approach for livestock production	Direct	Oxfam UK	1,2,5	18.8	-	18.8
299	DMI Livestock Component of Climatic Shocks in Livestock Based Livelihoods	Direct	Oxfam UK	2,5	37.3	-	37.3
300	Participatory Community Disaster Risk Reduction – Wajir	Direct	Oxfam UK	1,2,3,5	38.2	-	38.2
301	Drought Emergency response in Arid areas in Kenya 2011 (La Nina)	Direct	VSF-Suisse	1,2,5	530.1	-	530.1
302	Regional Pastoral Initiative	Direct	VSF-Suisse	1,2,5	16.3	-	16.3
303	Integrated Camel Management Package II	Direct	VSF-Suisse	1,2,5	14.4	-	14.4
304	Camel Restocking	Direct	VSF-Suisse	1,3	36.0	-	36.0
305	Rehabilitation of Degraded Rangelands	Direct	LWF	3	9.0	-	9.0
306	Drilling and equipping of boreholes	Direct	LWF	3	6.2	-	6.2
307	Drilling and equipping of boreholes	Direct	LWF	3	3.8	-	3.8
308	Boreholes and water points rehabilitation	Direct	LWF	1,2	4.0	-	4.0
309	Vaccination, deworming and treatment	Direct	LWF	1,2	3.3	-	3.3
310	Vaccination, deworming and treatment	Direct	LWF	1	5.0	-	5.0
311	Training for community and technicians	Direct	LWF	2,5	1.1	-	1.1
312	De-stocking	Direct	LWF	1,3	17.5	-	17.5
313	Livestock branding – shoats	Direct	WVI	1,2,5	3.5	-	3.5
314	Laisamis IPA Integrated Nutrition and	Direct	WVI	1,3	80.0	-	80.0

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
	Resilience Project						
315	Laisamis Pastoralist Initiative	Direct	WVI	1,2,3	32.6	-	32.6
316	Kainuk Food Security Irrigation Project	Direct	WVI	1,2,3	189.3	-	189.3
317	Mutonguni Poverty Reduction Project (PRP)	Direct	WVI	1,2,3	64.0	-	64.0
318	Samburu Food Security Activity	Direct	WVI	1,2,3	16.0	-	16.0
319	Moyale Food Security Activity	Direct	WVI	1,2,3	16.0	-	16.0
320	Yatta Food Security Activity	Direct	WVI	1,2,3	20.7	-	20.7
321	Mukogodo GEL Project	Direct	WVI	1,2,5	17.7	-	17.7
322	Project for Emergency Assistance in Kenya (PEAK) in Moyale	Direct	WVI	1,2,3	155.2	-	155.2
323	Voi Fish Farming Pilot Project	Direct	CRS	1,2,5	1.6	-	1.6
324	Strengthening of green gram value chain	Direct	CRS	1,3	25.6	-	25.6
325	Diversification of livelihoods for small holder coffee farmers in Nyeri district Kenya	Direct	CRS	1,3	40.0	-	40.0
326	Integrated food security and improved water management project	Direct	CRS	3	18.7	-	18.7
327	Great Lakes Cassava Initiative	Direct	CRS	3	5.0	-	5.0
328	Arid and Marginal Lands Recovery Consortium Activity	Direct	VSF-Belgium	1,3	38.9	-	38.9
329	Increased Community Response to Drought (ICRD) III	Direct	VSF-Germany	1,3	50.5	-	50.5
330	Drought Emergency response in Arid areas in Kenya 2011	Direct	VSF-Germany	1,3	70.0	-	70.0
331	Improved Community Response to Drought III (ICRD III)	Direct	VSF-Germany	1,2,5	55.0	-	55.0
332	Contingency Planning	Direct	VSF-Germany	4	55.0	-	55.0
333	Turkana - Pokot drought management project: mitigating the impact of climatic shock in livestock based livelihoods	Direct	VSF-Germany	1,2,5	14.9	-	14.9
334	Rehabilitation of the Aberdares Forest	Direct	France	3	17.0	-	17.0
335	Community based forest conservation	Direct	LCF-Finland	3	5.7	-	5.7
336	On Farm tree planting & Environmental education in schools	Direct	LCF-Finland	3	9.1	-	9.1
337	Community- Led Agro forestry	Direct	LCF-Finland	3	11.3	-	11.3
338	Promoting Sustainable Forest Governance in Kenya	Direct	LCF-Finland	4	8.1	-	8.1
339	Strengthening capacity of communities on environmental conservation and restoration in Transmara district	Direct	LCF-Finland	3	5.5	-	5.5
340	Rural Biodiesel	Direct	LCF-Finland	1,2,3	10.3	-	10.3
341	Institutional strengthening	Direct	LCF-Finland	3,4	4.1	-	4.1
342	Strengthening the Protected Area Network within the Eastern Montane Forest Hotspot of Kenya	Direct	UNDP	2,3	425.0	-	425.0
343	Consolidating gains in policy making and livelihoods improvement through biodiversity conservation and sustainable use of natural resources	Direct	Spannish Embassy/ BirdLife	1,3	7.6	-	7.6
344	Ecosystem Profile for the Eastern Afromontane Biodiversity Hotspot	Direct	DoF/Birdlife Denmark	4	0.7	-	0.7

No.	Project/Programme	Lead Ministry	Lead Donor	Strategic Area	Budget Shs M	GoK (Shs M)	ODA (Shs M)
345	Planning management of Kenya's Tana River Delta	Direct	United States Fish and Wildlife Service	1,2,3	3.7	-	3.7
346	Conservation for sustainable living: investing in capacity building, nature-based enterprises	Direct	Finland	4	4.6	-	4.6
347	Promoting local community conservation action through threat reduction in Arabuko Sokoke Forest and increased ecotourism	Direct	NABU	3	2.2	-	2.2
348	Improving livelihoods through sustainable government, NGO, private partnerships in South and North Nandi forest	Direct	DFID	2,3	29.0	-	29.0
349	Enhanced sustainability of coastal and marine resources by and for stakeholders	Direct	ReCoMap	2,3	6.8	-	6.8
350	Improved livelihoods for sustainable natural resources management in Arabuko-Sokoke Forest, Kenya	Direct	NABU	3	3.3	-	3.3
351	Improved Natural Resource management of the Cherangani Hills Forest	Direct	CEF-CDTF	3,4	8.7	-	8.7
352	Joint Environmental Management for Livelihood Improvement at Important Bird Areas	Direct	DoF/Birdlife Denmark	2,3	22.3	-	22.3
353	Instituting effective monitoring of Protected Areas (IBAs) as a contribution to reducing the rate of Biodiversity loss in Africa	Direct	EC/RSPB	3	104.2	-	104.2
354	South and North Nandi forests environmental conservation and livelihoods improvement	Direct	CEF-CDTF	3,4	6.8	-	6.8
355	Three year bird monitoring in Kakamega forest	Direct	Biota	2,3	0.5	-	0.5
356	Kenya Water and Sanitation Programme (KWSP)	MoWI	Sweden	1,3,7	850	-	850
357	Water Sanitation Service Improvement project	MoWI	IDA/WB	1,3,7	6,375	-	6,375
358	Water Services Board Support Project	MoWI	AfDB	1,3,7	4,343	-	4,343
359	Small Towns and Rural Water Supply and Sanitation project	MoWI	AfDB	1,3,7	8,417	-	8,417
360	Nairobi Rivers basin Rehabilitation and Restoration Program	MoEMR	AfDB	1,3,7	4,209	-	4,209
Total					284,528	177,300	107,200

Annex IV: ASDS Coordination Structures and Institutions

1. Background

Since 2010, the agricultural sector ministries have been implementing the ASDS, which succeeded the Strategy for Revitalization of Agriculture (SRA 2004 - 2014). The ASDS was formulated and launched before the expiration of SRA in order to respond to the launch of Vision 2030, which also succeeded the ERS 2003-07. Although much was achieved under the SRA, challenges still remain in achieving food security, poverty reduction, transformation of agriculture from subsistence to commercial farming and agribusiness, in securing markets, and in efficient use of inputs and agricultural credit. The *Agricultural Sector Development Strategy 2010–2020* (ASDS) was therefore developed to position the agricultural sector as the key driver for delivering the 10 per cent annual economic growth rate envisaged under the economic pillar of *Vision 2030.* The ASDS was officially launched by H.E. the President of the Republic of Kenya on 24 July 2010. The basis for the ASDS is the sector-wide approach, which secures a holistic framework for dealing with Kenya's complex agricultural situation.

2. Institutional Arrangement in the ASDS

To coordinate the implementation of the ASDS, a functional coordination mechanism across sector ministries, the public and private sectors has been set up that comprises the following.

National Stakeholder Forum

The National Stakeholder Forum (NSF) is the highest decision-making organ that provides a platform for stakeholders in the sector to review progress in the implementation of the ASDS investment areas. The President of the Republic of Kenya is the patron of the NSF. Every key stakeholder at national level in the agricultural sector is represented in the NSF. The biennial conference is held in third quarter of each second year.

National Steering Committee

The National Steering Committee (is a decision-making committee at policy level that brings together government, development partners and the private sector in the agricultural sector. The National Steering Committee is composed of:

- Principal Secretaries in the ministries in the agricultural sector
- County Executives responsible for agriculture
- Representatives of Development Partners
- Kenya Private Sector Alliance–KEPSA, the representative of the private sector
- Representative of umbrella producer organizations
- Representatives of the agribusiness community
- Representatives of civil society
- Chairman Parliamentary Committee on Agriculture

The committee can co-opt other members as the need arises. It meets biannually under the chairmanship of the Principal Secretary who at the time is the chair of the Inter-ministerial Coordinating Committee. The ASCU coordinator is the Secretary to this Committee.

Functions of the NSC

- To discuss progress in implementing reforms in the sector
- Serve as the focal point for policy direction
- To provide a vehicle for identifying and resolving sector challenges and work towards mutually effective solutions.
- To create the linkage between the National Stakeholders Forum and the implementing agencies.
- To advise on strategic interventions required in the sector.

Inter-Ministerial Coordinating Committee

The Inter-ministerial Coordinating Committee (ICC) is the highest technical **decision-making** organ in the sector. This committee was established by the Head of Public Service. Members of the ICC comprise Principal Secretaries of the sector ministries. The ICC will need to be reconstituted after rationalisation of the government.

The ICC can co-opt other Principal Secretaries as need arises and also depending on the subject under consideration. The Committee is chaired by a Principal Secretary appointed from among the members and on rotational basis. The committee meets once every quarter.

Functions of the ICC

- Give policy direction in the reform process
- Coordinate budgetary allocation in the sector
- Provide briefings to ministers in the sector and relevant parliamentary groups
- Receive progress reports from the ASDS Technical Committee
- Approve recommendations ASDS Technical Committee from the sector for action
- Provide the agenda for the National Steering Committee and National Stakeholders Forum, Acts as the conduit for information among National Steering Committee, National, Stakeholders Forum and ASDS Technical Committee

The ASDS Technical Committee

The ASDS Technical Committee (TC) is made up of the heads of departments (Secretaries, Commissioners Directors) in the sector ministries, development partners, apex farmer organization, private sector and other co-opted members.

The Technical Committee can co-opt members as need arises and depending on the subject at hand. The chairman of the Technical Committee is drawn from among the directors of the sector ministries on rotational basis.TC meetings are held monthly and the ASCU Coordinator is the secretary of the TC.

Functions of the TC

- Coordinate the implementation of the Agricultural Sector Development Strategy 2010–2020 (ASDS)
- Prioritize activities in the ASDS for investment
- Receive implementation reports and provide way forward
- Review and adopt progress outputs from the thematic working groups
- Approve work-plans for ASCU coordination activities

- Approve Terms of Reference for studies and technical assistance
- Mobilize funding for various activities
- Monitor and evaluate implementation progress.

Agricultural Sector Coordination Unit (ASCU)

ASCU is an inter-ministerial unit whose responsibility is to coordinate the affairs of the agricultural sector on day to day basis. The functions of ASCU are:

- Develop over time the function of a reference center for sector reforms; a respected resource that can inform, guide and influence the targeting, scope, scale and funding (by government and its development partners) of sectoral and sub-sectoral programmes and interventions through line ministries, the private sector, development partners and civil society.
- Analyze (through commissioned studies) sectoral and subsector constraints and opportunities and assess transactions costs throughout the value chain for the purpose of targeting policy reforms and investments.
- Support sector ministries in negotiating reforms and funding, and planning ASDS programmes within their agencies.
- Synthesize and disseminate knowledge and information relevant to the implementation of the ASDS, making it readily accessible in appropriate formats to the full array of stakeholders, including politicians and policy makers.
- Assess and challenge sectoral and sub-sectoral plans, policies and programmes for ASDS compliance and identify priorities, gaps, weaknesses and overlaps. In this connection, ASCU shall develop criteria that will be applied by sector ministries to test ASDS compliance with their new programmes and projects.
- Champion and popularize the reforms and cross-sectoral initiatives necessary to implement the ASDS.
- Coordinate the identification, prioritization, programming and implementation of ASDS activities in the sector ministries that must be addressed at the sectoral rather at ministerial level.
- Based on identified priorities, organize and manage thematic working groups to address topical issues in an in-depth manner and to a high degree of professionalism.
- Identify potential sources of funding for ASDS activities.
- Identify problem areas where knowledge gaps can be addressed through studies; prepare the necessary terms of reference for such studies and oversee their execution.
- Monitor and evaluate ASDS implementation and re-planning based on the results of the M&E activity. In this connection, ASCU shall develop monitoring instruments for ASDS implementation.
- Provide sector ministries limited backstopping support in identifying and prioritizing programmes and projects.
- Organize a biennial ASDS conference.
- Ensure that policies of the sector ministries are implemented in harmony rather than divergence.

Support to ASDS implementation through ASCU, is in line with, for example, African Union / European Union proposals that assistance to agriculture focus on (among other things) sector governance in agricultural development, reviewing, clarifying and defining the role of the state/ private sector/ civil society relationships; establishment of consultation mechanisms; building

capacity for stakeholders to engage in policy and strategy development; strengthening producer organizations' capability in policy, productive and marketing functions; capacity building for policy development; and better harmonization, monitoring and implementation across state institutions.

Thematic Working Groups

Each theme of the ASDS is presided over by a thematic working group (TWG). TWGs are multidisciplinary and multi-sectoral think tanks established under ASCU to address priority areas in the ASDS. Members of TWGs are drawn from both the private and public sectors and are authorities in their fields. They are chaired by a private sector representative and convened by directors from the sector ministries. The Chair and Convener are experts in the thematic areas they head. The TWGs carry out in-depth analysis of strategic areas for policy direction and investment. TWGs can be formed or reformulated as need arises. The current TWGs are:

- Food and Nutrition Security Policy
- Extension and Research Advisory Services
- Agribusiness and Financial Services
- Legal, Regulatory and Institutional Reforms
- Environment, Sustainable Land and Natural Resource Management
- Youth in Agriculture
- Communications and Outreach

Functions of the TWG

- Carry out in-depth analysis of strategic areas for policy analysis
- Define priority areas within their thematic areas
- Give policy direction on investment areas
- Advise the Technical Committee on issues related to their thematic areas

Decentralized Coordination Units

District coordination units were designed to provide a forum for coordinating sector programmes aligned to the ASDS. This was necessitated by the need to harmonize the activities of the various implementation units based at the districts and visiting the same clients (farmers, pastoralists, cooperators, fisher folk, etc). The DCUs were not intended to take over the implementation aspect of the programme but to provide the coordination between the different organizations and institutions in the sector for the benefit of more efficient resource use and synergy. Following the devolution of agricultural functions to counties, Governors have been empowered to organize service delivery in a manner that suits their counties for effective and efficient service delivery. While it is not mandatory, it hoped that counties will see the need to establish County Agricultural Coordination Units (CACU) for the same reasons that DCUs had been setup. The CACUs would prepare their own working procedures and determine their membership. Some of the functions that would be appropriate for CACUs would be:

Functions of the CACU

- Oversee the implementation of ASDS in the counties
- Prepare status reports for submission to ASCU
- Prepare project proposals, work-plans and budgets

- Mobilize resources from local communities, NGOs, community-based organizations, etc.
- Identify problems, prioritize them and develop action plans to be implemented.
- Undertake training needs assessment for capacity-building programmes to be carried out.
- Support the activities of the county stakeholder forum as the secretariat
- Carry out monitoring and evaluation of ASDS activities
- CACU will create and equip centrally located information resource centers.

Annex V: ASDS Implementation Structure