

## CAADP Post Compact Review

# KENYA

## Country Review Report

September 2010  
Nairobi Kenya

## Summary of Key Findings for Kenya

Nairobi, September 2010

This document reports the findings of the Comprehensive Africa Agriculture Development program (CAADP) Post Compact technical Review for Republic of Kenya. The purpose of the review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. The review is to ensure that every possible action is being taken to achieve the objectives and targets laid out in Kenya's Vision 2030 and in the Agriculture Sector Development Strategy/CAADP (ASDS). The review should be seen as an exercise to lay the groundwork for successful implementation of the strategy through the Kenya Medium Term Investment Plan (MTIP).

Kenya's Medium Term Investment Plan (2010-2015) identifies interventions proposed for implementation to achieve the common aspirations of the Vision 2030, the ASDS and the CAADP goals of attaining robust sector growth and reduction of food insecurity sufficient to meet the MDG 1 for poverty and hunger in Kenya. The design of the ASDS, approved in July 2010, was based on broad-based participation of all agriculture sector stakeholders including government ministries, development partners, private sector, civil society and farmer organizations. The President of Kenya His Excellency Mwai Kibaki launched the ASDS at the signing of Kenya's CAADP Compact. The ASDS is the Kenya CAADP comprehensive strategy.

The ASDS, which is the guiding document for the MTIP seeks to increase agricultural sector growth to 7 per annum, contributing to a target GDP growth rate of 10 percent, as proposed in the 2030 Vision. Further, the ASDS is seeking to reduce the number of people living on less than US\$ 1.2 per day from the current 36 percent of the population to 22 percent and reduce food insecurity. The MTIP focuses on six Investment Areas: (i) productivity, commercialization and competitiveness; (ii) private sector investment and participation; (iii) sustainable land and natural resource management; (iv) reforming delivery of agricultural services and research; (v) market access and trade; and (vi) effective coordination and implementation. Within each of these investment areas focus ecosystems and specific interventions are identified.

The Comprehensive Africa Agriculture Development Program presents a social transformation agenda with a wide-reaching influence on development aid architecture and development planning. CAADP is intended to support African governments prepare quality strategies and investment plans, ensure enabling policy environment to implement the plans and translate these plans into programs and projects for stimulating the necessary sectoral growth for effective poverty reduction and food security.

The Technical Review team's key findings and recommendations regarding Kenya's MTIP are outlined below. The recommendations are intended to help strengthen the MTIP and inform a pre implementation road map for the MTIP, commencing immediately.

### ***Component 1: Alignment with CAADP Vision, principles and strategy elements***

The Kenya Agricultural Sector Development Strategy (ASDS) is the CAADP comprehensive strategy. The Medium Term Investment Plan is intended to help operationalize the ASDS. The ASDS and the MTIP are clearly aligned with the CAADP vision, framework, and principles. The ASDS is country owned, developed through broad based consultation with government, NGO and private sector, and

has targets that are for the most part consistent with or exceed indicative CAADP targets. Strong coordination systems have been established to support implementation. And the upfront attention given to defining policies to support the MTIP helps ensure the government is meeting its commitment to establishing a conducive policy environment. The six investment areas of the MTIP map very closely to the four pillars of the CAADP framework.

However, the projected government funding for the ASDS and MTIP as described in the MTIP is 4.6 percent of the national budget and falls well short of the target 10 percent. Further, the GOK development budget to support the MTIP grows at 3.3 percent per annum well below the level of 12.9 to 21.3 percent projected as needed, depending on the efficiency of public spending. This is a concern and may limit the ability of the MTIP to achieve the goals and targets of the ASDS.

While an inclusive consultation process was used to define the ASDS, the design of the MTIP has not benefited from broad based consultation with stakeholders.

### **Recommendations:**

1. The Government of Kenya financing for the MTIP should be re-examined with the objective of increasing funding to meet the 10% target, increasing financing at a minimum of 14 percent per annum over the life of the investment plan. And, concomitant steps should be taken to increase efficiency of public spending.
2. Engage stakeholders in the review and validation of the MTIP.

### ***Component 2: Consistency with long term growth and poverty reduction options***

Kenya's Medium-Term Investment Plan (MTIP) is the vehicle for implementing the Agricultural Sector Development Strategy (ASDS). The Plan recognizes the primary role that agriculture plays in Kenya's economy. The Plan targets which are derived from the ASDS show that the agricultural sector needs to grow by 7 per cent annually to deliver a 10 per cent growth in overall GDP. These growth targets are consistent with the role that agriculture has been assigned in Vision 2030, the country's long-term strategy for development, but they pose a key challenge for this MTIP.

The consistency analysis completed as part of this technical review basically asked the question whether the MTIP as defined will enable Kenya, over the next five years, to achieve the initial five year targets of ASDS and 2030 vision. The conclusion of the analysis is that it is unlikely that Kenya will meet the ASDS targets. The financing plan of the MTIP falls short of providing the financing needed to achieve targets. Further, the definition of priorities makes it difficult to forecast impacts.

Although a prioritization process (the Theory of Constraints management tool) was used to assist Ministries establish realistic parameters for the medium-term implementation of the ASDS, there is no "testable" set of criteria or theory of causality established to support priority-setting that connects investment selection and levels with the goals and targets set out in the ASDS, and Vision 2030. A key issue with regard to the alignment of the vision found in the ASDS and the MTIP is the lack of clear prioritization of commodity value chains within the targeted ecological zones (high rainfall, semiarid, and arid). This runs the risk of reducing the impact of the investment on the goals and targets of the ASDS, thereby reducing the efficiency of public spending. Fundamentally, the causality between the proposed activities in MTIP and the performance targets laid out in the ASDS have not been established, nor has the relative importance among activities being proposed to drive growth and reduce poverty been established. It is notable and stark that the MTIP does not have an evidence-based, causal framework for making choices or setting priorities among commodities and

value chains – which are the primary economic goods derived from agriculture to influence growth and food security.

Given the conservative level of increase in public expenditure—and indeed, of expenditure as a whole— projected over the 5 years of the MTIP, it would seem that additional growth will have to depend as much, if not more, on improved efficiencies in resource utilization as it will on new investment.

### **Recommendations:**

1. Supplementary analysis be completed as soon as possible to define the priority commodities in each of the rainfall zones being focused on. And that this analysis specifically help inform the question of what commodities or value chains in the targeted ecological zones (high rainfall zone, semiarid zone, arid zone) offer the greatest prospect for stimulating and achieving the growth rates and food security reduction rates being targeted in the ASDS.
2. Reflecting on the outcomes of the consistency analysis revisit the financing plan the financing of the government to the agriculture sector and MTIP; clarify the financing gap; and clarify whether the results expected from the MTIP activities will be able to meet performance levels needed.

### ***Component 3: Adoption of best practices and inclusion of core program elements***

The six investment areas of the MTIP provide a comprehensive set of activities and actions covering the four core pillar areas of the CAADP framework. The ASDS has laid out guidance for many of the investment areas and activities to be implemented under the MTIP that builds on and captures the rich set of experiences that Kenya has in agriculture and food security. In addition, significant progress has been made through the Thematic Working Groups (TWGs) coordinated by ASCU, in developing policy and strategy frameworks that are intended to guide and support the specific investment areas of the MTIP. This includes, for example, the National Climate Change Response Strategy, the Land Policy, The Agribusiness Development Policy framework now being developed, the Food Security and Nutrition Policy framework now moving through the approval process, the research and education policy framework, the extension system reform policy framework, and others. The TWGs offer a professionally sound and innovative effort to build a body of best practices and translate them into practical guidance for implementation.

The review of the investment areas and activities, along with the various strategy and policy frameworks coming forward from the Thematic Working Groups, has identified several areas of concern that could likely be addressed and resolved during design and implementation of the specific programs and projects for the six investment areas.

**Environment and climate change linkages with the MTIP land and natural resource management agenda.** The (MTIP) provides an impressive articulation and justification of the need for sustainable land and water management activities, and their importance for improving livelihoods of all Kenyans. It also identifies a number of key activities to address the land and resource management challenges. Further, the National Climate Change Response Strategy outlines a set of robust measures needed to address most of the challenges. A concern is the linkages between these efforts and clarity in the role of the various Ministries to support the agriculturally based climate change activities. It would be useful for the relevant Ministries and stakeholder to agree on a common set of priority actions and clarify responsibilities for supporting them.

**Irrigation and water management.** The water management sub-program of the MTIP is commended for adopting elements of best practice aimed at boosting agricultural growth in Kenya. This is especially important for the planned intensification and expansion of irrigation programs in the semi-arid and arid lands. However, the plans, as described are short on a clear understanding of the impacts that can be expected from the irrigation programs. It would be helpful to the design of these new programs, which will be important to the success of the MTIP, to complete an ex ante assessment of the impacts that can and should be expected from the proposed irrigation programs and the contribution to the ASDS goals and targets.

**Food security and nutrition.** The ASDS is strongly committed to tackling food insecurity and nutrition. To help articulate an agenda for food security and nutrition the ASCU Thematic Working Group for Food Security and Nutrition has developed a policy framework and strategy. At present actions to address, Food Security and Nutrition are nested in the market access and trade investment area of the MTIP. At the same time, the activities to be implemented under literally all of the investment areas have significant impact on food and nutrition. The integration of food and nutrition into the MTIP is not clear. Greater attention is needed to integrate the food security and nutrition strategy and the related activities the various investment areas. And the MTIP M&E system should ensure that food security goal of 30 percent reduction in food insecurity is translated into quantifiable indicators that are tracked and reported on.

**Gender.** The ASDS reports that women contribute 60 to 80 percent of labor in Kenya's agriculture production. They face unique challenges. The MTIP does not adequately or appropriately identify actions that will be taken or how programs will be adjusted to or targeted to address in particular the needs of women. At present, ASCU is developing policy framework on Gender and have developed a terms of reference to map existing efforts to inform the development of this policy. In general, it would be helpful to update the MTIP to explain how it will address gender as a cross cutting issue throughout all of the investment areas. And, given the relative importance of factoring in the gender dimensions into the design of programs and projects, it is imperative that the policy framework be completed as soon as possible.

**Role of research, science and technology.** In general in Kenya there is broad based recognition that research, science and technology are primary drivers of agricultural productivity and growth. The ASDS gives significant attention to this agenda. And, the ASCU has established a Thematic Working Group on Research and Extension, which has developed new policy frameworks for research and education, as well as extension. However, the MTIP does not provide a clear picture of where research fits within the MTIP, how it fits in the various investment areas, nor provide guidance on actions to be taken by research or contributions expected. The MTIP could usefully clarify the role and expected contributions from the research institutions intended to support implementation of the MTIP.

**Agribusiness development and value chain approaches.** The MTIP includes at least two investment areas (private sector participation and market access and trade) that target the agribusiness community. At the same time the private sector is intended to play a major role in the productivity, commercialization and competitiveness as well as the sustainable land and natural resource management investment areas. However the approaches outlined in the MTIP for implementation of these investment plans, do not build on best practices for engaging the agribusiness community. For example, the use or application of value chain development approaches does not appear in referencing how the activities will be developed. This and other models for private sector delivery of services and engagement could usefully be examined by the ASCU to inform the design and implementation of MTIP. At present the Thematic Working Group on

Agribusiness, Markets and Trade are working on a policy framework for agribusiness development. This working group should examine the models for implementation that can be applied to staple food systems as well as traditional or nontraditional export commodities.

**Recommendations:**

1. The importance of women to Kenya's Ag sector, and the role of women in the implementation of the MTIP should be clearly highlighted. The completion of the gender policy for the sector should be prioritized.
2. The MTIP should clarify how the various investment areas address food security and nutrition, and clarify linkages with other Ministries or agencies providing social services related to food security.
3. The Agribusiness Policy Framework should provide guidance on best practices regarding approaches value-chain development, financing, and models for private sector delivery of services.
4. Expedite the establishment of the M&E system, engaging stakeholders early in the process.

***Component 4: Alignment with country commitments***

The MTIP does a thorough job of inventorying and mapping the linkages of all donor and NGO programs contributing to agriculture, as well as the ongoing government programs and projects. This information and data serve as a strong foundation for facilitating a process to secure alignment of these ongoing efforts with the priority areas of the MTIP. A key next step in implementing the MTIP will be the establishment of an alignment process to assess and make adjustments to ongoing activities. Part of this process will entail identifying and defining the criteria for making choices among activities for each of the investment areas. These criteria need to be clear in helping to make causal linkages between activities and the ASDS goals and targets. The timing for the review should also be clarified and the review could be useful in engaging government, donors, private sector and NGOs in building a common understanding of priority actions. It could also lay the foundation for advancing a sector wide assistance plan, and mutual review framework.

Regional integration and cooperation are strategically important for the success of the ASDS. However, the MTIP does not provide clear understanding of the actions that can be taken at the country level to contribute to or benefit from regional trade, sharing of science and technology, or capacity building. And it does not provide clear guidance for regional programs in terms of what could be done to help Kenya achieve its goals and targets. It would be useful for the MTIP to bring clarity to importance of regional integration to achieving the ASDA and Vision 2030 targets, and highlight actions necessary to strengthen Kenya's role as an economic force in regional agriculture markets.

The MTIP implementation process has done an impressive up front job through the Thematic Working Groups of identifying key policy areas that can help support the investment areas. And, significant progress has been made in developing the policy frameworks including the consolidation and reform of key laws. However, these efforts are not described and the linkages of the policy efforts to the investment plan are not made clear. The MTIP could usefully be amended to describe the MTIP policy process and steps being taken support the investments. And the policy frameworks could operationally be translated into a policy index for MTIP that could be used to track progress and performance of the new policy frameworks. Tremendously innovative efforts are ongoing in Kenya agriculture policy that others could learn from.

### **Recommendations:**

1. ASCU should meet with development partners as early as possible to clarify a process for accelerating harmonization and alignment under the MTIP. A clear articulation of the criteria that will be used to prioritize investments in each investment area will help to ensure that the alignment process does not become an attribution process. Expected outcomes of an alignment exercise would include:
  - a. A clear articulation on ongoing government and donor activities which are included in the implementation of the MTIP
  - b. The identification of activities which, if modified, could be reassessed for inclusion in the MTIP, as well as a description of the required modifications.
  - c. Agreement to a process and timeline for alignment with a common M&E framework.
2. Kenya should work with COMESA, EAC and neighboring countries to complete analysis that can clarify the proposed or desired impact of regional programs on the overall national performance targets; clarify what capacity needs to be developed or actions should be taken to enable Kenya to more effectively participate in regional and global markets.
3. Develop a summary or matrix of priority policy frameworks and actions that are being developed, and include this as an annex to the MTIP. Subsequently, develop a policy index to help track implementation of the policy agenda, and describe the policy actions in the MTIP document, e.g., under each investment area describe the policy frameworks relevant to that area.

### ***Component 5: Operational Realism***

Ten Ministries are directly involved in the implementation of the ASDS. An agricultural sector coordination unit (ASCU) has been established to develop a coordination and governance framework for the ASDS and the MTIP. The MTIP and affiliated documents provide a good description of the framework and coordination efforts. It is significant that this framework anticipates the reform of institutions involved in the governance of agriculture as the new Constitution is implemented. Key strengths include its scope (local level coordination through inter-ministerial coordination up to a National Forum) and inclusiveness (significant participation of non-state actors, donors, and the academic community). Another strength is the inclusion of “Thematic Working Groups” which provide a platform for sub-sector coordination and feed directly into a Director-level technical committee with decision authority.

To arrive at an estimated cost for the plan, six overarching investment areas were identified, activities were identified under each investment area, and detailed activity budgets, including unit costs, were developed at the activity level. While each activity does have a budget, this data has not been assembled to facilitate analysis across activities of unit costs, among other things. A cursory review of unit costs suggest that they are reasonable and consistent with historical for such efforts in Kenya. However, the activity costing does not clarify expected outcomes of the activities.

To finance the MTIP plan, the government projects and proposes that the government of Kenya provide Ksh161.22 billion (65.3 percent) of the total development budget cost, request development partners to provide an estimated Ksh 77 billion (31.2 percent) of the total development cost, and private sector to provide Ksh 2.56 billion (1 percent) of the total cost. **This leaves a gap in funding of ksh 6.23 billion (2.5 percent) of the total cost.**

The proposed GOK request for development partner financing is consistent with current levels of financing for 2010. No clear projections of financing have been provided by the development partners. However, it is not clear whether the projected plan and related financing costs are credible from the point of view of being able to achieve the ASDS targets and goals.

An additional key issue is the lack of a private sector financing strategy to support the ASDS and align with the MTIP. There is a clear recognition that the private sector will be instrumental in the success of the MTIP, both from the point of service delivery and the financing of private goods that are complimentary to government financing of public goods to achieve the ASDS goals and targets. However, the MTIP does not lay out either a process to define or a clearly defined set of private goods that a private sector financing strategy could be developed to support.

### **Recommendations:**

1. Strengthen the TORs of the committees and thematic working groups that constitute the institutional architecture for sector coordination, to better clarify expected contributions.
2. Identify and prioritize key capacity requirements across the sector. Develop a capacity development framework, including timeline and targets. Several of the Thematic Groups may have already begun this process.
3. Develop a private sector financing strategy to support and compliment the public financing strategy for the ASDS.
4. Complete an analysis that clarifies unit costs of MTIP activities, summarizes unit costs across activities, and clearly demonstrates their contribution to achieving specific ASDS targets and goals. This could be completed as part of the alignment review process.
5. In support of the MTIP, the government and development partners should establish a date, acceptable to all parties, by which the review of programs for alignment is completed and commitments are clarified, presumably well before the next fiscal year.

### **Next Steps**

The MTIP lays out an ambitious set of “next steps” which include:

1. Sensitization of stakeholders about the linkages between the Vision 2030, the ASDS, the MTIP, and the CAADP process, in order to clarify roles and responsibilities for the implementation of MTIP;
2. Capacity building in sector-wide approaches to planning and implementation;
3. Harmonization and adjustment of existing programmes and projects in support of the MTIP;
4. Operationalizing plans to develop a rigorous but practical M&E system for the MTIP and agricultural sector more broadly
5. Development and launch of new programmes and projects.

These steps, together with several top level issues identified in this technical review will be critical to address prior to the full implementation of the MTIP. Elaborating these actions, identifying key responsible actors, and establishing timelines for accomplishment constitute a roadmap for the pre-implementation phase of the MTIP.

### **Recommendation:**

1. Donors and government should meet as early as possible to review and finalize a road map towards the full implementation of the MTIP, with the aim of confirming support for its implementation at the upcoming business meeting.



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## 1. Introduction

This report presents the findings of the AUC-NPCA review of Kenya's five-year *Agricultural Sector Development Strategy – Medium-Term Investment Plan (ASDS – MTIP 2010 – 2015)*. The report focuses on the degree of alignment of the ASDS –MTIP with Africa's continent-wide Comprehensive Africa Agricultural Programme (CAADP). It also looks at the ASDS-MTIP's consistency with Kenya's own long-term growth and poverty reduction options; its alignment with existing country commitments; the extent to which it builds on sound technical experience and best practice; and the operational realism of the plan.

The review team commends the efforts of the Government to respond to the poverty, hunger, and nutritional demands of the people of Kenya through its ASDS- MTIP. The findings and recommendations which follow identify areas where the MTIP could be strengthened to increase its effectiveness in achieving the ambitious goals in agricultural growth and poverty reduction that Government has established in the ASDS and corresponding Kenya CAADP Compact. The review also highlights many significant strengths of the MTIP—strengths which may help to inform other countries as they move to operationalize their own CAADP Compacts and agriculture and national food security strategies.

The MTIP already identifies key next steps towards the full implementation of the MTIP. These actions, together with the priority recommendations made in this report, provide the foundation of a roadmap for the pre-implementation phase of the MTIP.

The technical review team wishes to express its great appreciation for the hospitality and support extended to it by the Government of Kenya, and particularly by the Agricultural Sector Coordination Unit.

## 2. CAADP and the Technical Review Process

The Comprehensive Africa Agricultural Programme (CAADP) was endorsed by the African Heads of State at the Maputo Summit in 2003 as a strategy to transform African agriculture and address poverty and food insecurity in sustainable ways. Today, CAADP represents a social transformation agenda in almost every African country with wide-reaching influence on the transformation of development aid architecture and development planning. Its comprehensive and inclusive agenda has seen an unprecedented involvement of:

- Inter-Ministerial formulation of inter-sectoral investment plans that are country-driven and country-owned;
- The private sector, civil society and farmers' organizations in identifying the priorities for agriculture-driven growth;
- Technical expertise across the continent in establishing policy frameworks, implementation guides and tools that provide a sound base and guide for evidence-based planning; and
- Development Partners and Bilateral Agencies in common dialogue and planning.

Working with its Member States, COMESA has taken a strong leadership role in advancing the Comprehensive Africa Agriculture Development Program (CAADP), an initiative of the African Union New Partnership for Africa's Development (NEPAD) Planning and Coordination Agency (NPCA), which is a program of the African Union. Seven of the 19 COMESA Member States have signed their country compacts. Under the compacts, countries commit to using 10% of their national budget for agricultural development and to ensure growth of the agricultural sector of 6% annually in order to reduce food insecurity and poverty.

Following the signing of their compacts, countries have developed their CAADP country investment plans. The investment plans undergo technical review led by the African Union, the NEPAD Planning and Coordinating Agency (NPCA), and CAADP Lead Pillar Institutions. This post compact technical review is a critical step in the operational implementation of the country compacts and investment plans. The primary objective is to collectively evaluate for:

1. The likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;
2. the use of best practices and other technical guidance in the pillar framework documents in designing the above investment programs;
3. the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;
4. the integration of CAADP principles of inclusive review and dialogue; and
5. the consistency with budgetary and development assistance commitments and principles agreed in the compact.
6. adequacy of institutional arrangements for effective and efficient “delivery” including information and knowledge support, M&E and on-going evaluation and learning
7. coherence and or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives
8. appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability
9. extent and quality of dialogue, (peer) review and mutual accountability system potential to contribute and link to regional integration objectives;

The review is not intended to approve or grade the investment programs, projects and other elements of the post-compact agenda. Rather, it is intended to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth and food security, and to help ensure that every possible action is being taken to make sure that the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the plans approved at the Compact roundtable, reflected in a country’s CAADP Compact, and, in the case of Kenya, operationalized in the ASDS - MTIP. The outcomes of the review should therefore be a set of concrete, implementable actions which constitute a roadmap towards full implementation, and facilitate:

- i). mobilizing the required expertise, capacities, and partnerships for on-the-ground implementation;
- ii). aligning existing programs and committing financing within a reasonable timeframe;
- iii). streamlining of review and appraisal process and standards to speed up individual donor processing; and
- iv). establishing the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes

Once reviewed and adjusted, the investment plans and roadmap are presented to the international community at a Business Meeting for discussion and to agree to the timelines established for alignment and clarification of any new financing to close funding gaps. The CAADP reviews also form the basis for review of submissions by African countries to the Global

Agriculture and Food Security Programme, providing a continentally accepted benchmark for quality investment strategies reflecting the following criteria:

- Detailed project design and costing;
- Establishment or strengthening of monitoring and evaluation systems;
- Building the necessary capacity for implementation;
- Policy change to ensure an enabling environment;
- Establishment or strengthening of the necessary institutional elements for an enabling environment; and
- Alignment of long-term reforms in related other agricultural strategies, Poverty Reduction Strategies, SWAPs and related sector program.

### **3. The Components, Methodology, Criteria, and Tools of the Review**

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP Compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

- i). Alignment with the NEPAD-CAADP principles, values and targets: The CAADP Implementation Guide setting out the vision, principles, core strategy elements, and impact expectations;
- ii). Coherence and consistency with long-term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long-term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
- iii). Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
- iv). Operational quality and implementation readiness and alignment with Compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
- v). Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements;
- vi). The Donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders; and
- vii). The available relevant documentation/literature supporting the development of the investment plans, including dialogue/interviews with key stakeholders involved in the plan formulation and implementation processes.

The review is conducted along five broader components, namely:

**Component 1** reviews alignment with CAADP vision, principles, and strategy elements to ensure that all key vision elements, principles, and strategy core elements, as defined in Annex I of the CAADP Post Compact Guide are reflected in the country's programs and, where there are gaps, to help identify these in order to ensure full alignment. The main tool used is the *CAADP Implementation Guide*

**Component 2** looks at the consistency of the plan and the potential impact on long term growth and poverty reduction options. This section evaluates whether:

- the overall growth targets that are specified or implied in the plans, in general, and
- the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies.

This component also presents a comparative country profile, based on the nearly two dozen CAADP indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged. The main tools used are: *Brochures, technical background documents, investment program documents*

**Component 3** seeks to establish whether the investment plan includes the adoption of best practices and inclusion of core program elements. The aim of this assessment is find out where clearer definition and understanding of the strategic issues is required and where better integration of best practices can help improve the design of the plans and maximize benefits of growth. The CAADP Post Compact Guide Annexes II to IV present a set of specific guides and tools, prepared by the Pillar lead institutions as part of the Pillar framework documents, which provide criteria and step-by-step approaches to design high quality plans. The main tools used are: *Pillar Framework Documents and Pillar Implementation Guides and Tools*

**Component 4** focuses on alignment with compact commitments and its objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments. The main tools used are: *CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level*

**Component 5** reviews the operational realism of investment programs and seeks to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task in this section is to verify the extent to which the key elements and features listed in Table 1 of the CAADP Post Compact Review Guide are reflected in the investment plans. The main tools used are: *Detailed investment programs*

#### **4. Kenya's Agricultural Sector Development Strategy – Medium Term Investment Plan**

Out of the approximately 39 million people in Kenya, over 70 percent is engaged in agriculture. Kenya's economy depends heavily on agriculture, which constitutes about 24 percent of total GDP. Kenya experienced strong agricultural growth over the period 2003-2007, with an average growth rate of 5.2 percent. Growth slowed to 3.7 by 2009, due to the violence which followed the 2007 elections and the global food, fuel, and economic crises from 2008-2009. Both hunger and poverty have declined since 1990. The ASDS and MTIP project a rapid acceleration in growth-- 7.2 percent over 5 years—in order to achieve and even surpass the MDG target of halving hunger and poverty by 2015.

Even in current case, Kenya is on track for halving its poverty rate by 2015. Hunger, however, has declined at a much slower rate, putting the country off track for reaching the hunger target

of MDG1, and, at current rates of growth and performance of the agricultural sector, this is unlikely to change. However, Government's "Vision 2030" and its translation into the Agricultural Sector Development Strategy (ASDS), establish ambitious growth and poverty reduction targets that meet and exceed the MDG goals, and call for the reform of policies and institutions required to achieve them. While the implementation of reforms in Ag the sector could be challenging in the broader context of reform which surrounds the adoption of Kenya's new constitution, the constitution itself contains institutional and public sector investment and management reforms which will support the agenda promoted in Vision 2030 and the ASDS.

Broader analysis done on Kenya<sup>1</sup> on policy options and public investment choices all converge to the fact that growth in agriculture, especially in food crops and livestock, has been shown to reduce poverty faster than industrial growth. Among the staple food crops, maize, sorghum, and millet generate the most in poverty reduction. Other important investment factors that need to be considered include:

- Specific agriculture investments have higher returns in different parts of the country;
- Irrigation will have higher returns in lowlands, while research and extension will in midlands and highlands;
- Investment in research and extension have the highest returns in both growth and poverty reduction; and
- Investments in improving road infrastructure and market development are also key

In June 2008, Government launched the Kenya Vision 2030 which is also the Kenya's Development Strategy covering three (3) key broad pillars namely; political, social and economic. Agriculture is among the six sectors in the economic pillar and a key instrument to respond to the development challenges in Kenya. As part of the efforts to respond to poverty, hunger and malnutrition in Kenya and implementing the Vision, the agricultural sector Ministries, in 2010, launched a ten (10) year Agricultural Sector Development Strategy (ASDS) which was developed through wider stakeholder consultations. The strategy was developed in line with, consistent with, and aimed at meeting both the Vision and CAADP targets. As part of the implementation of the ASDS, a 5 year Medium Term Investment Plan (MTIP) has been developed to implement the strategy. The MTIP aimed to prioritize those actions contained in the ASDS, which would be most critical to undertake during the first five years of its implementation, and still meet the target of achieving and maintaining an agricultural growth rate of 7% over this period.

### **General Constraints**

Kenya faced major food insecurity challenges between 2002 and 2007 when poor or failed cropping seasons resulted in sustained deterioration of national food security. The number of Kenyans requiring relief food assistance rose from 650,000 in late 2007 to almost 3.8 million in late 2009 and early 2010. The ASDS identifies several constraints facing Kenya's agricultural sector that prevent the country from exploiting its potential. The constraints include the following:

- Inadequate budgetary allocations;
- Reduced effectiveness of extension and research services;
- Low absorption of modern technology especially among smallholder farmers, fish-folk and pastoralists;

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<sup>1</sup> Kenya Economic Report 2009; Thurlow J. and S. Benin (2008)

- High and frequent adulteration of key inputs;
- Limited investment capital and poor access to affordable credit;
- Heavy crop and livestock losses due to diseases and pests;
- Low and declining soil fertility;
- Inappropriate legal and regulatory framework;
- Inadequate disaster preparedness and response;
- Multiple taxes for inputs and farm produce;
- Inadequate infrastructure; and
- Inadequate storage, marketing and processing infrastructure.

The ASDS represents a proactive response to these constraints, aiming to address their impacts while simultaneously seeking to tackle their causes. The primary goal of the Medium Term Investment Plan (MTIP 2010 – 2015) is to operationalize the ASDS. Identifies specific interventions, targets and costs proposed to achieve the primary midterm target of the ASDS—to achieve and sustain a 7% agricultural growth rated over five years—2010-2015. The ASDS provides the institutional framework for the implementation of the MTIP, a key element of which is the Agricultural Sector Coordination Unit (ASCU). ASCU is responsible for the coordination of activities spread across 10 ministries, as well as ensuring the development of strong partnerships between the Government, the private sector, development partners and other non-state actors. Six multi-stakeholder Thematic Working Groups (TWGs) have been established under ASCU for the purpose of analyzing, prioritizing, addressing constraints and opportunities in the agricultural sector, and promoting broad-based understanding and ownership of sector strategies and plans.

To bring about overall development and growth of the agriculture sector, the MTIP has identified the following five Strategic Thrusts:

- Increasing productivity and promoting commercialization and competitiveness of all crops, livestock, marine and fisheries, and forestry;
- Promoting private sector participation in all aspects of agricultural development;
- Developing and managing the national water resources, land resources, forestry, and wildlife in a sustainable manner;
- Reforming agricultural service, credit, research, regulatory, processing and manufacturing institutions for efficiency and effectiveness; and
- Increasing market access and trade through development of cooperatives and agri-business.

These five strategic thrusts translate into the following six priority investment interventions:

- Increasing productivity, commercialization and competitiveness;
- Promoting private sector investment and participation in all aspects of agricultural development including research;
- Promoting sustainable land and natural resources management;
- Reforming and improving delivery of agricultural services and research;
- Increasing market access and trade; and
- Ensuring effective coordination and implementation.

Four of the six strategic thrusts are aligned with the four CAADP Pillars-- including the CAADP Companion Document on Livestock, Fisheries and Forestry. The ASDS thematic thrust on Sustainable Land and Natural Resource Management relates to CAADP Pillar 1. The thematic

thrust on Agri-business, Access to Markets and Value Addition addresses the objectives of CAADP Pillar 2. The thematic thrust on Food and Nutrition Security addresses the objectives of CAADP Pillar 3 while the thematic thrust on Research and Extension relates to CAADP Pillar 4. The key elements of Kenya's sector-wide approach to agricultural sector development tally with the core CAADP principles, particularly those related to broad-based stakeholder consultation and participation, accountability and coordination. The remaining two thematic interventions on Inputs and Financial Services, and on Legal, Regulatory and Institutional Reforms, address key cross-cutting issues.

## **5. The AUC-NEPAD Technical Review of Kenya's Medium Term Investment Plan**

From September 6 – 11, CAADP Pillar experts, and representatives from the AU-NEPAD and development partners reviewed the ASDS-MTIP. The findings of the review, which constitute this report, were reviewed with the ASCU on September 14<sup>th</sup> and with the Agricultural Sector Inter-Ministerial Coordinating Committee on September 15<sup>th</sup>.

The main sources of information used for the review include the review of main public documents and also specialized and targeted exchanges of views and ideas of clusters of different stakeholders both public and private. The main documents consulted include:

- Medium Term Investment Plan (MTIP 2010 – 2015)
- Agricultural Sector Development Strategy 2010 – 2020
- Kenya Vision 2030
- Strategy for Revitalizing Agriculture 2004 – 2014
- Background Analysis for the Medium Term Investment Plan for Agricultural Sector Development Strategy (MTIP – ASDS 2010 – 2015)
- National Agricultural Research System 2010
- National Agricultural Sector Extension Policy (NASEP)
- National Water Resources Management Strategy (NWRMS) 2007 – 2009
- National Irrigation and Drainage Policy 2009
- Session Paper No. 3 of 2009 on National land Policy
- Economic Survey 2010
- Kenya Economic Report 2009.
- Food Security and Nutrition Strategy (April, 2008)
- Terms of reference for Mapping Existing Gender-disaggregated Data and Methodologies in Agriculture and Rural Development in Kenya
- Proposal for an Agricultural Sector Gender Policy
- Scoping Analysis for the Establishment of a Sector-wide Monitoring and Evaluation framework in Kenya's Agricultural Sector (August, 2009)
- Ministerial Public Expenditure Review (PER) July 2008-June 2009
- Draft PER for the Agricultural Sector (February 2010)
- Medium Term Expenditure Framework 2010/11 - 2012/13 (January, 2010)
- Agricultural Growth and Investment Options for Poverty Reduction in Kenya (Thurlow and Benin, November, 2008)
- Support to Development of Sector Support Programme in Agriculture (June, 2010)



Dialogue meetings were held with the following key stakeholders:

- Permanent Secretary - Ministry of Agriculture
- Permanent Secretaries of Agricultural Sector Ministries
- Staff of Agricultural Sector Coordination Unit (ASCU)
- Ministry of Finance – Directorate of External Resources and team from Macroeconomic management
- Thematic Working Groups on: (i) Research and Extension, (ii) Agribusiness, Market Access and Value Addition (iii) Access to Inputs and Finance (iv) Legal and Regulatory Reforms
- Private Sector and Civil society stakeholders
- Representatives of Development Partners

Discussions and exchanges of ideas and views were held in cordial manner and allowed sufficient time for interactions and generating consensus on key major issues. The results of the review follow by component.

### **Component 1: Alignment with CAADP vision, principles and strategy elements**

#### **Alignment with CAADP vision, principles and strategy**

As part of assessing the alignment with CAADP Vision, principles and strategy, the Kenya ASDS and the MTIP have been assessed to ascertain the extent to which the CAADP principles are clearly reflected.

The Kenya Medium Term Investment Plan (MTIP), taken together with the strategy upon which it is based (the ASDS), demonstrates strong linkages to key NEPAD-CAADP principles and values. In conjunction, the documents represent a very comprehensive approach to agriculture and food security aligns closely to the principles of country ownership and stakeholder participation that are reflected in the CAADP. The priorities in the MTIP are developed from the focus areas of the ASDS and reflect the targets and goals established in the Vision 2030. The MTIP outlines country priorities, which are broadly defined in thematic interventions and themes that are generally aligned with the CAADP framework and Pillars.

#### **Participation**

The formulation of the ASDS was guided by the involvement and inclusiveness of State institutions and non-state actors as well as inter-ministerial involvements. This is reflected both in the planning and proposed implementation processes. The MTIP, however, is less familiar to stakeholders, and will require broader consultation if it is to be recognized by stakeholders as clearly linked to the ASDS. Finally, while the document clearly states the importance of the private sector to achieving the aims of the MTIP, there is need for further elaboration on the specific role of private sector and other non-State stakeholders in moving the agenda forward.

#### **Recommendations:**

1. Develop a communication strategy which addresses the immediate need for consultation on the MTIP as well as the need for regular information exchange and input with stakeholders.
2. Mobilize the Thematic Working Groups to ensure that the participation of non-State actors informs the development of a policy inventory and matrix in support of the MTIP.

#### **Alignment with compact commitments**

The primary goal of the MTIP is to ensure that: “Kenya attains food security through enhanced food production and trade to enable her to adequately feed the expected population of 45 million people by 2015 and beyond on an environmentally sustainable basis.” This is expected to be achieved through rapid agricultural development by increasing agricultural productivity and strategies that address the special needs of the largely vulnerable rural populations. There is a strong emphasis on increasing productivity in the MTIP, and more of the focus on strengthening markets and trade would strengthen the document, as would greater elaboration on the MTIP’s role in the implementation of the National Food Security and Nutrition Policy, to which the MTIP is linked. Food security targets linked to the availability of, or access to, food are lacking. The MTIP adequately describes how it intends to coordinate inter-ministerial coordination in alignment with plan objectives over the 10 ministries involved in Ag Sector planning.

The MTIP reflects a prioritization process that reconciles investment in high productivity (e.g. high rainfall) versus higher risk (arid and semi-arid) lands, and highlights the fact that the prioritization of investments cannot be based on immediate economic returns alone—or rather, the definition of “returns” must be defined in a way that recognizes the social and longer-term benefits of rebalancing investments between higher and lower rainfall areas. It is fair to say that there is more work required now to prioritize investments by agroecological zone, to ensure that the targets and goals reflected in the MTIP and ASDS can be met.

#### **Recommendations:**

1. Clarify distinct targets for growth, poverty reduction, and reduced food insecurity, and establish a monitoring and evaluation framework that will provide the pathway for their achievement.
2. Identify and prioritize investments by agroecological zone. Identifying those value chains most likely to contribute to growth, poverty reduction, and reduced food insecurity targets will be necessary.

#### **Program balance**

As mentioned above, the MTIP would benefit from a greater focus on markets and trade, and the elaboration of the role of the private sector. It also would benefit from the clarification of the MTIP’s responsibilities in terms of implementing the National Food Security and Nutrition Policy. In general, the focus on poverty reduction and reducing food insecurity which are paramount in Vision 2030 and the ASDS, are not as clearly articulated in the MTIP. There is also a need to balance the MTIP’s focus on extension with the less clear priorities in science and research.

1. Establish clear targets for poverty reduction and reduced food insecurity and ensure that a research agenda reflecting the needs of each investment area underpins the MTIP.

#### **Inter-ministerial collaboration and coordination**

The Agriculture Sector in Kenya combines 10 Ministries each handling specific agricultural related issues. These Ministries include: Agriculture, Livestock Development, Fisheries Development, Lands, Water and Irrigation (mainly irrigation component), Cooperative Development and Marketing, Environment and Mineral Resources, Forestry and Wildlife, Regional Development Authorities, Development of Northern Kenya and other Arid Lands. In

order to ensure inter-ministerial collaboration the Government established the Agricultural Sector Coordination Unit (ASCU) in 2005, as an inter-ministerial body, to address the fragmentation of the responsibilities between different agriculture and rural development-related ministries tasked with implementing the Strategy for Revitalizing Agriculture (SRA) in Kenya.

This arrangement demonstrates Kenya's commitment to eliminate potential duplications of efforts in implementing the sector-wide approach to enhance effective coordination, productivity and eliminate wastage within the Agriculture and related ministries. Among these ministries there is a clear inter-agency coordination structure for ensuring inter-ministerial cooperation and alignment with objectives set in the plan. As part of the inter-Ministerial coordination, there is a National Stakeholder Forum, a National Steering Committee comprised of Permanent Secretaries (PSs) from the sector Ministries; development partners, representatives from private sector and umbrella farmer organizations as well as representatives from the Business community. To strengthen coordination among sector ministries, there is an inter-Ministerial Coordinating Committee a forum for all PSs from sector Ministries who deliberate on policy matters for the sector among others. Technical functions are handled by ASDS Technical Committee which is composed of heads of departments and/or directors in the sector, development partners, umbrella farmer organizations and private sector. Thematic Working Groups which are also multi-stakeholder, work to harmonize policy, identify best practice, and address cross-sector technical and coordination challenges.

Beyond sector coordination, the MTIP also recognizes the role played by other sectors, such as infrastructure and energy, in attainment of agricultural sector objectives. The plan, however, omits the ASDS' recognition of the role played by sectors such as health and education which are critical in delivering human labor productivity. The plan also does not present an assessment of the institutional capacities required to effectively deliver on the achievement of the stated objectives.

**Recommendations:**

1. Although the plan clearly describes how it intends to coordinate inter-ministerial coordination in alignment with the stated objectives, an assessment of the institutional capacity to manage the activities and resulting capacity building needs of the implementing ministries need to be identified and integrated into the plan.

**Stakeholder consultation**

The establishment of six Thematic Working Group (TWG) along the various thematic themes is a demonstration of the intension of inclusiveness of all stakeholders and actors in building consensus on national priorities to guide implementation. The composition of the TWG includes members drawn from the representatives of the public sector, the private sector and other non state actors. However, the TWG's appear not to have had enough time to consult on the MTIP, and the document would benefit from more of their input.

**Recommendation:**

1. The plan should include a description of how future engagement with the TWG will be carried out by the government to effectively ensure that the views of the broader stakeholders are considered in such decision making in the investment program development and program prioritization.

**Incorporation of Private Sector**

The plan fully recognizes the importance of the private sector: there is an investment area focused on promoting private sector engagement, and representatives of both the for-profit and

non-profit communities are already involved in the Thematic Working Groups and several others of the committees, which make up the coordination framework established for the ASDS and MTIP. However, there is a real need for clarity on private sector entry points in the actual implementation of the strategy, and recognition of the different roles of the for-profit and non-profit communities.

**Recommendation:**

1. Work through the Thematic Working Groups to identify areas where further direct engagement of the private sector would strengthen implementation. Identify areas where increased public sector action or investment will facilitate private sector investment. Develop a common understanding of both the public and the private sector goods required to achieve targets.

**Donor Working Group Coordination Measures**

The agricultural sector in Kenya has for many years been supported by bilateral and multilateral donors especially in spearheading new initiatives and carrying out pilot projects. Donors have committed and are aware of the need for consultations with government in support of programs rather than picking and supporting stand-alone projects of own choice. Increasingly, partners have committed to program support with a view of strengthening sector-wide approach to development. As a demonstration of coordination within the sector, the agricultural donor group is supporting the Agricultural Sector Coordination Unit (ASCU) through a Basket Fund.

**Status of donor harmonization and alignment**

Harmonization and alignment efforts are strong in Kenya, and the MTIP reflects this. All development partners in the agricultural sector and Government of Kenya are signatories to Paris Declaration and Accra Agenda for Action (AAA). Both Government and donors participate in the assessments of alignment to these commitments. Government and 17 donors are implementing the Kenya Joint Assistance Strategy (KJAS), and donors are grouping themselves based on principles of comparative advantage. The KJAS provides a basis for development partners' support for the implementation of Kenyan Vision 2030, the ASDS, and the MTIP. In addition, the agriculture donor group, together with the Agricultural sector Ministries<sup>2</sup>, signed a Code of Conduct (CoC) which provides a set of principles that guide the cooperation between the agriculture donor group and the sector ministries specifically on areas of coordination, planning, monitoring and review, financial management, technical assistance as well as governance and accountability. To ensure full alignment of resources to the Vision and to the ASDS, donors provide a Joint Statement of Intent, which stipulates intended specific areas of support in line with government priorities laid out in sector strategies and plans.

As part of the implementation of these instruments, there are harmonization, alignment and coordination meetings (HACM) between donors and government that take place once a month with specific agendas. The HACM have, of recent, been transformed into the Aid Effectiveness Groups (AEGs) and are meeting every second Tuesday of the month. An AEG secretariat has also been established within the Ministry of Finance to provide think tank services to the AEGs. There is also a Development Partners Forum (DPF) which meets twice a year to discuss issues and challenges all aimed at strengthening harmonization, alignment and coordination efforts.

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<sup>2</sup> The Agricultural Sector Ministries include: agriculture; livestock development; water and irrigation (irrigation component); forestry and wildlife; environment and mineral resources; northern Kenya and other Arid Lands; regional development authorities; and cooperatives and marketing.

Mutual accountability mechanisms are being established through the development of a sector-wide monitoring and evaluation framework and public financial management reforms with score cards for assessing performance and guiding the reviews.

While there is strong commitment by both donors and government to harmonize all existing sector programs and projects within the MTIP, no timeline has been established to accomplish this.

**Recommendations:**

1. Begin working with development partners directly to establish the criteria, process and timeline for the alignment of programs with the MTIP.

**Component 2: Consistency with long-term growth and poverty reduction options**

**C2.1 Agriculture within the economy**

The MTIP envisages agriculture as key for overall economic growth, with a multiplier effect of 1.644 on the non-agricultural sector including manufacturing, providing inputs and markets for non agricultural operations such as building/construction, transportation, tourism, education and other social services. Given that performance of the overall economy is closely tied to the performance of the agricultural sector, it seems prudent to have specific strategies that promote development of the non-agricultural sector and poverty-reduction irrespective of agriculture. This is not done. Private sector participation in development of the sector is also emphasized, and it attracts about 13% of the proposed total investments, although it declines over time.

**Recommendation:**

1. Define specific strategies to promote development of the non-agricultural sector

**C2.2 Alignment of Investment Plan targets with long term growth and poverty benchmarks**

The MTIP is the vehicle for implementing the ASDS. The overall objective of the ASDS/MTIP is to achieve an annual average agricultural growth rate of seven percent to close the current and potential food production-consumption gaps associated with 10 and 30 million people, respectively. The growth, food security and poverty targets set out in the Plan (Table 1) are consistent with the role that agriculture has been assigned in Vision 2030, the country’s long-term strategy for development, which aims to transform Kenya to a Newly Industrialized Country (NIC) by year 2030.

**Table 1: Kenya’s targets for growth, food security and poverty reduction**

<b>Indicator</b>	<b>Target</b>
GDP growth rate (%)	10
Agricultural growth rate (%)	7
Poverty rate (%)	25
Reduction in food insecurity (%)	30
Annual increase in agriculture contribution to GDP (KShs billion)	80
Divestiture in state corporations dealing with production, processing and marketing	All
Reforming and streamlining agricultural services	All

**Source: Government of Kenya. Agricultural Sector Development Strategy/Medium Term Investment Plan (ASDS/MTIP). 2010.**

Analysis by ASCU shows that with linkages to the non-agricultural sector, an agricultural GDP growth rate of 7.3 per cent can indeed be achieved. It is therefore critically important that the Plan identifies the sources of growth and the relevant linkages with the relevant sectors outside of agriculture as observed above. With this agricultural growth rate, the economy will grow at an impressive rate of 10%. This in turn leads to achievement of the Millennium Development Goal of reducing hunger and poverty (MDG1). The country will reduce the poverty rate to 22% (MDG1 target is 25%) and reduce hunger by 30%.

The plan targets an annual increase in agriculture contribution to GDP of KShs 80 billion. However, past trends suggest a much lower increase in AgGDP even when agriculture was growing at relatively decent rates (Table 2).

**Table 2: AgGDP growth rates and corresponding annual changes, 2005-2009**

	2005	2006	2007	2008	2009*
AgGDP growth rate (%)	6.9	4.4	2.4	-4.1	-2.6
AgGDP (KSh. million in constant 2001 prices)	299,798	312,926	320,423	307,356	299,449
Change (KSh. Billion)	19.4	13.1	7.5	-13.1	-7.9

\*Provisional

Source: Kenya National Bureau of Statistics. Economic Survey 2010. Nairobi, Kenya

The agricultural GDP growth rate of 7.3%, which is about twice the projected rate if the current trends in the sector are maintained, is more ambitious than the 6% target under CAADP. Pursuing this higher growth rate in agriculture is well advised because the CAADP target would be insufficient for the achievement of both the desired overall economic growth and MDG1 targets. However, it is unclear whether the prioritized programs will lead to achievement of the growth targets.

#### **Recommendations:**

1. Articulate the sources of growth.
2. Establish criteria to support priority setting that connect investments with the goals and targets set out in the plan, ASDS, and Vision 2030.

#### **C2.3 Sector and Sub-sector growth outcomes under current and ASDS/CAADP scenarios**

As pointed out in 2.2 above, and as supported by the growth analysis carried out by Thurlow and Benin (2008), Kenya will achieve the 10 % GDP growth and MDG1 targets if it achieves and sustains the 7.3% AgGDP growth rate. But this represents a key challenge for this MTIP because the growth rates are not likely to be achieved under the proposed investment plan. Sub-sector and commodity specific production and productivity targets are required to assess this aspect of consistency.

There are details for only three commodities in the ASDS/MTIP: wheat, rice and aquaculture (see Table 3). Together, these contribute only about 4.3% of the total agricultural GDP (Thurlow and Benin 2008). While the analysis in Thurlow and Benin (2008) shows that overall agricultural growth driven by growth in these three commodities has large unit poverty-reducing effects compared to other commodities, their contribution to overall poverty reduction is much less than can be derived from growth in commodities like maize and livestock, since wheat, rice and fisheries account for less than 5% of the size of the agricultural sector. Maize and livestock, for example, have far reaching growth and poverty-reducing impacts as they are cultivated by a majority of farmers and as well as the poor. These and other sub-sectors and

commodities need to be explicitly captured in the ASDS/MTIP. The target growth rates (36.9–80.7 per year) for the three commodities analyzed in the proposal (Table 3) also seem very unrealistic, compared to the 5.5–6.9% growth rates identified in Thurlow and Benin (2008).

**Table 3. ASDS/MTIP target annual production for food crop commodities**

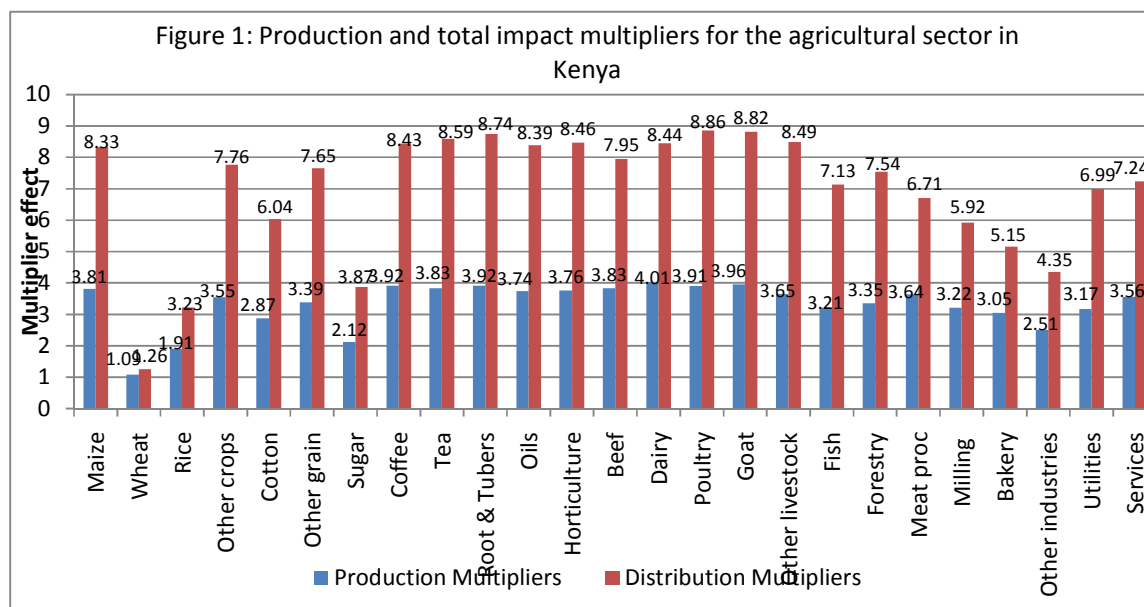
	Share in AgGDP (%, 2007)	2010/11	2011/12	2012/13	2013/14	2014/15	Annual average growth (%)
Wheat	2.2		56,250	112,500	168,750	225,000	57.8
Rice	0.3		15,000	35,000	60,000	90,000	80.7
Aquaculture	1.8 <sup>a</sup>	8,000	10,000	15,000			36.9

Sources: Thurlow and Benin (2008); ASDS/MTIP (pages 70-73); <sup>a</sup> for all fisheries

As observed above, the Plan needs to define priority subsectors that drive growth in the different agro ecological zones and connect investments in these with the goals and targets set out in the plan, ASDS, and Vision 2030.

The Plan covers both existing programmes and proposed interventions. Given the modest proposed increase in public expenditures over and above current levels, it would seem that extra growth will result as much as from removing existing inefficiencies in resource utilization as from implementing new programs. It is important that the plan articulates how the sector growth rate will be accelerated. The plan needs to respond to the following questions: 1) will investments in the prioritized program areas lead to achievement of the growth and poverty reductions targets; and ii) what evidence is available to show that the priority program areas and the specific activities within them have the greatest impact on the goals of the MTIP, ASDS and Vision 2030?

The Kenya Economic Report 2009 by KIPPRA proposes two approaches for setting priorities for the agricultural sector in order to address income growth, equity, and poverty reduction. The first approach recognizes that in Kenya, specific crop, livestock, forestry and fisheries subsectors are associated with specific geographical regions in the country. Since poverty reduction and redistribution are key objectives of the MTIP, it would be instructive to prioritize sectors that contribute the most to employment of the poor's labour and generate the most income for poor households. The report identifies the sub-sectors that have the greatest multipliers in the economy in terms of production and total impact (Figure 1). A subsector has two roles 1) production and thus generation of income, and 2) distribution of the income among primary factors of production and households. There is evidence in the report that investing in all of agriculture without prioritizing sub-sectors yields lower benefits than when priority sub-sectors are selected on the basis of their production and distribution impacts.



A second approach considers broad-based support to agriculture through increased spending by investing in infrastructure such as irrigation and rural roads, research and extension, technical services, and institutional reforms. Again the KIPPRA report provides evidence that incremental investments in these different areas yield different effects on growth, distribution and poverty.

**Recommendations:**

1. Prioritize crop and livestock sub-sectors on the basis of their contribution to growth and poverty reduction and their suitability to the different agro-ecological zones (AEZ)
2. Within each AEZ, prioritize the broad investment areas (irrigation, rural roads, market development, research and extension, institutional reforms, etc) on the basis of their impact in driving the growth of the different sub-sectors prioritized for the zone.

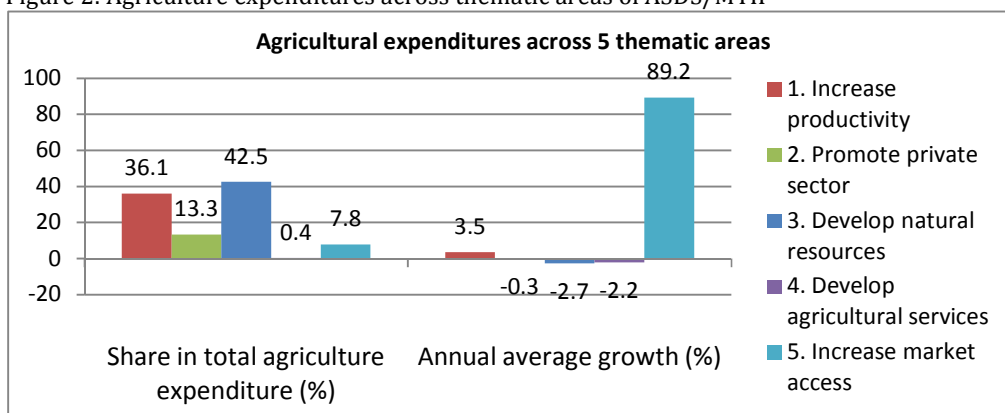
**C2.4 Agricultural Sector Spending and alternative growth scenarios**

The MTIP has six investment areas and an investment portfolio in the amount of Kshs 247.6 billion (USD 3.09 billion)<sup>3</sup> over the five-year plan period (2010–2015). Two areas, ‘prompting sustainable land and natural resources management’ (42%) and ‘increasing productivity, commercialization, and competitiveness’ (36%) will dominate agricultural sector spending (Figure 2). The contributions of these programmes to total agricultural performance however are not indicated.

<sup>3</sup> Exchange rate \$1 = Kshs 80.



Figure 2: Agriculture expenditures across thematic areas of ASDS/MTIP

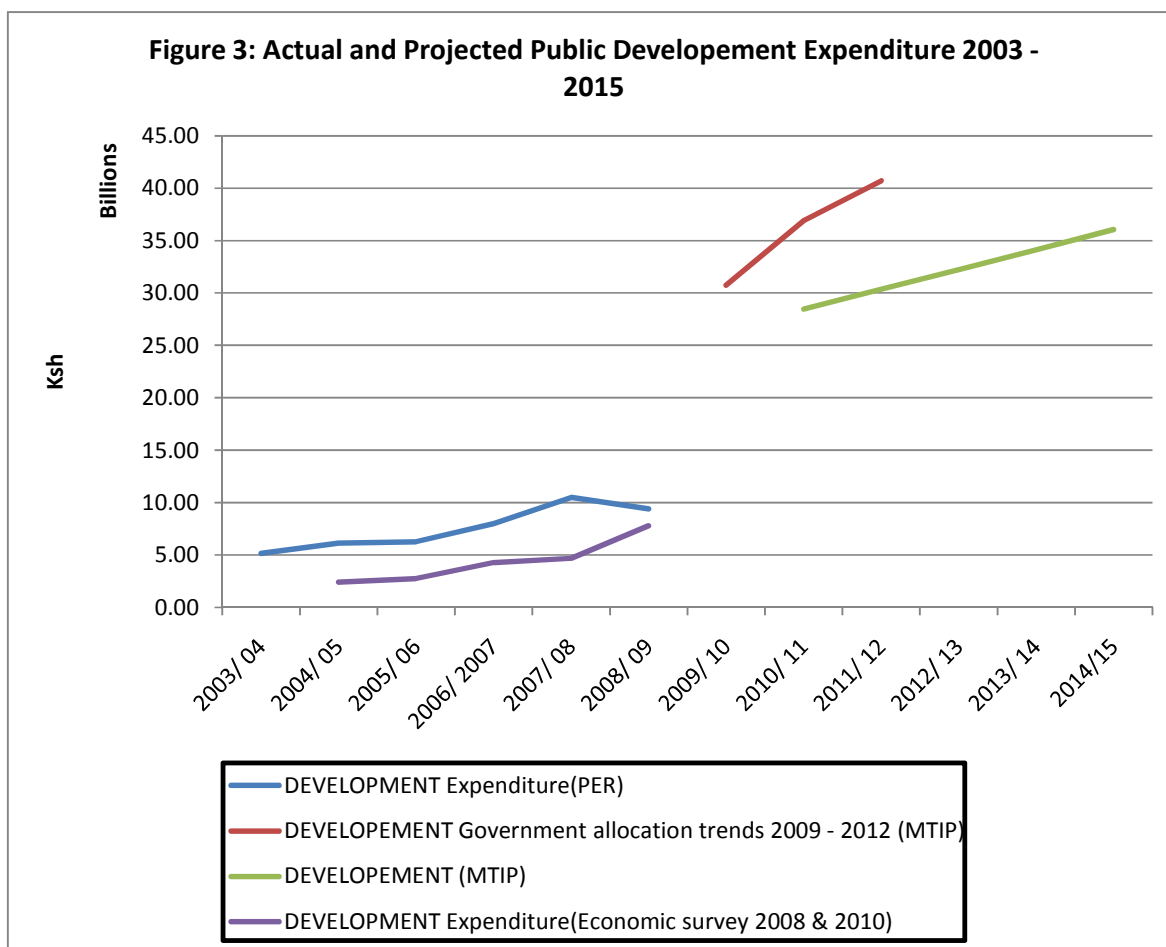


Sources: ASDS/MTIP; WDI.

It would also be fundamentally important to consider the balance in proposed spending areas to be sure that they complement each other. For example, having the two investment areas above take 78% of the funding raises the question of whether the funding allocated to improving market access and trade and delivery of agricultural services is adequate to ensure the increased production arising from the productivity investments and better resource management will reach markets. It remains unclear as to whether sufficient resources are allocated to deliver improvements in whole value chains. In addition, attention is needed to ensure that activities within each investment area are balanced to deliver the program output. For example, in the productivity, commercialization and competitiveness program, it seems that most of the funding will be devoted to activities supporting increased productivity with inadequate provision for funding to enhance commercialization and competitiveness.

### C2.5 Dimensions of incremental financing

It is envisaged that most of the financing for the MTIP will come from existing programmes and at the start of implementation all existing programmes will be reviewed so as to align and harmonize them with the MTIP. Figure 3 shows the current allocations to agriculture based on data from various sources. Approved development expenditures have increased steadily since 2002 but dipped in 2009/10. Although the MTIP indicates that the level of development expenditure allocated to the 10 sector ministries has averaged Kshs 28.45 in the last three years, available sources of public expenditure data show that this figure has been less than ten billion. Some of the discrepancy has been attributed to differences in the definition of what constitutes agriculture among the ministries of finance and planning and those in the agricultural sector.



To determine the incremental financing proposed in the MTIP it is necessary to unequivocally establish the current level of financing to the sector. This is for establishing the current and future levels of government funding to the sector and also for computing the financing gap envisaged in the MTIP.

The projected agriculture development expenditure in the MTIP grows at an annual average rate of 3.3%, which is far below the growth rate of 12.9–21.3% identified in Thurlow and Benin (2008) as the required rate to achieve the ASDS and MDG1 goals, under the high- and low-efficiency scenarios, respectively. It is unclear how maintaining expenditures at levels just above the current levels will lead to achievement of a relatively higher growth rate (i.e. from an average rate of 3.7% to 7.3%). Looking at the proposed investments across the different thematic areas (Figure 2), it is difficult to see how the different investments (i.e. different shares and growth rates) will achieve the production and food security targets. There is no attempt in the proposal to tie the budgets to any specific outcomes.

**Recommendations:**

1. Reconcile the different sources of data and establish the current level of funding to the sector.
2. Clarify the level of projected public funding commitment to the agriculture sector.
3. Define clearly the financing gap in the MTIP.
4. Link program budgets to specific outcomes.

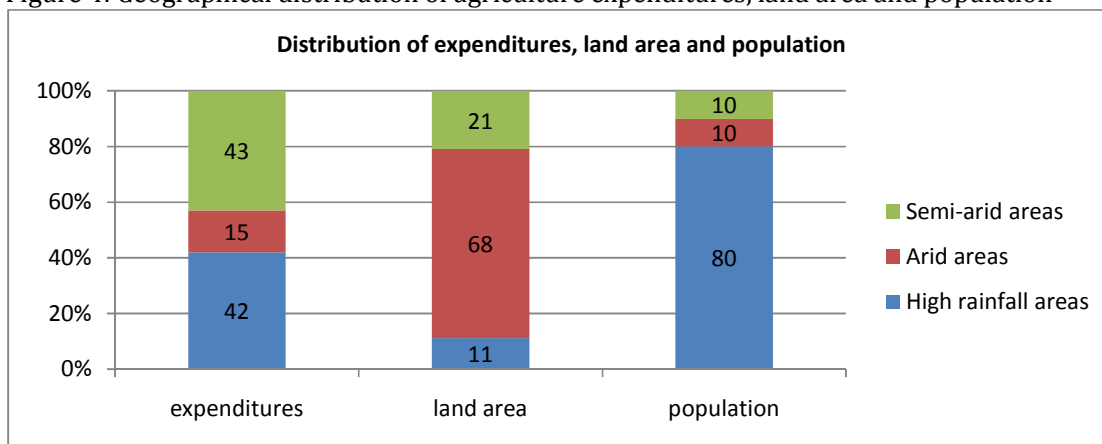
**C2.6 Effectiveness of existing programmes**

No analysis was done in the ASDS/MTIP.

### C2.7 Beneficiary analysis

With the information at hand, the bulk of the proposed agriculture expenditure is allocated to the semi-arid areas (43%) and the high rainfall areas (42%) (Figure 4). With the arid areas accounting for the bulk of the total land area (65%) and with the high rainfall areas accounting for the bulk of the population (80%), the proposed allocation could be biased depending on which factors are important in agricultural production and where the bulk of the poor resides. This could also be linked with the geographical distribution of the production of different commodities to fully ascertain the distribution of the benefits of the proposed investment plan. In terms land area, the high rainfall areas receive about seventeen and two times expenditures compared to the arid and semi-arid areas, respectively. In terms of population, however, the high rainfall areas receive about 35% and 12% of the expenditures allocated to the arid and semi-arid areas, respectively.

Figure 4: Geographical distribution of agriculture expenditures, land area and population



Source: ASDS/MTIP. We assume that the 20% of the population in the arid and semi-arid areas is distributed equally.

### Component 3: Adoption of best practices and inclusion of core programme elements and Technical viability of major programs

As has been described earlier, the MTIP is a medium term investment plan for Kenya’s Agricultural Sector Development Strategy, and the two documents must be read together in order to fully understand the depth of work that has gone in to the thinking behind the MTIP. In general, the 5 technical investment areas correspond closely with the 4 CAADP Pillars, and, although highly summarized in the MTIP document, the illustrative activities largely demonstrate the incorporation of core programme elements and best practices. However, the linkages between the illustrative activities and the line items in the highly condensed MTIP budget are not consistently clear across the investment areas.

One component of the coordination framework that has been established to implement the ASDS and MTIP is a set of 6 “Thematic Working Groups”. These groups are multi-stakeholder bodies, chaired by the private sector, with a ministry representative being the convener. The groups tend to be out-put oriented: they work to harmonize or develop policy, provide technical guidance, and contribute to the identification of priorities in the 6 MTIP investment areas. An attempt has been made to describe the linkages between the Thematic Working groups and

MTIP, however, the matrix developed to do this may raise more questions than it answers--raising concern that important linkages between thematic areas and investment areas are being downplayed or ignored. This is particularly true with thematic areas like Food Security and Nutrition, Research and Extension, and Legal and Regulatory Reforms, which should truly be informing all of the investment areas. **This is also discussed in Component 5, below.**

Although the ASDS recognizes the importance of research in all aspects of agricultural development, this is one area that does not “come through” in the MTIP. In several of the investment areas it appears to be assumed, but should be brought more clearly in the actions.

While the MTIP acknowledges the critical role of the private sector, private sector engagement tends to be stove-piped in one investment area (Promoting Private Sector Participation), and heavily reliant on Public-Private partnerships. It is the private sector that will drive agricultural transformation in Kenya. Consideration should be given to bringing a private sector “lens” to all of the investment areas in order to ensure that there is a clear understanding of the private as well as the public goods which are necessary to leverage or promote in order to rapidly achieve and sustain the MTIP target of 7 percent growth in agriculture.

The ASDS reports that women contribute 60 to 80 percent of labor in Kenya’s agriculture production. They face unique challenges. The MTIP does not adequately identify actions that will be taken or how programs will be adjusted to or targeted to address in particular the needs of women. At present, ASCU is developing policy framework on Gender and have developed a terms of reference to map existing efforts to inform the development of this policy. It would be helpful to update the MTIP to explain how it will address gender as a cross cutting issue throughout all of the investment areas. And, given the relative importance of factoring in the gender dimensions into the design of programs and projects, it is imperative that the policy framework be completed as soon as possible.

Finally, the framework documents that have been developed for the four CAADP Pillars may contribute to the “best practices” resources available to ASCU, its Thematic Working Groups, and stakeholders as the alignment of ongoing programs and the design of new ones progresses.

### **C3.1 Pillar 1: Sustainable Land and Water Management (SLWM)**

#### **C3.1.1 General**

This Pillar is critical to the ASDS and the MTIP. 50% of Kenya’s population live in high rainfall areas, yet this represent only 11% of the country’s land area. Population pressure is leading to unsustainability, as land is divided into plots too small even for subsistence farming. At the heart of the MTIP is the intent to increase the productivity of Kenya’s arid and semi-arid lands, increasing opportunities for investment and growth in these areas and redressing what has been perceived as long-term underinvestment. At the same time, the MTIP prioritizes the “Preservation, rehabilitation, and protection of key land and agriculture-related natural resources”.

As it aims to increase investment in less fertile and more fragile ecological zones, the MTIP’s recognition of the critical links between climate change, agriculture, and food security is to be commended, and both the Increasing Productivity, and the Sustainable Land and Natural Resource Management investment area demonstrate the integration of Climate Change mitigation and adaptation activities. However, the MTIP would benefit from a more strategic focus on the climate change-agriculture linkage, as well as ensuring that it become a focus of the Research and Extension, and Legal, Regulatory, and Institutional Reforms thematic groups.

### **C3.1.2 Land Management**

The MTIP recognizes that Kenya's three different agro-ecological zones require different management systems for agriculture, and face different challenges:

- ✓ high rainfall areas are densely populated and have rapidly expanding urban centres.
- ✓ pressures on land and natural resources are growing in many semi-arid lands, while productivity is declining rapidly due to unsustainable farming practices.
- ✓ arid lands are prone to more frequent and more severe droughts and associated food insecurity, and traditional coping mechanisms are eroding.
- ✓ the range of natural resources and valuable biodiversity endowment in arid lands is coming under increased pressure.

While the activities proposed in the MTIP largely respond to these challenges, they are far from exhaustive, and they do not provide the detail that would be required to determine whether in combination they will deliver the desired targets. While the intent to promote the use of improved inputs, such as hybrid seed, fertilizer, pesticides and machinery is clearly stated, it is not clear how this will be carried out. Perhaps the most urgent area that needs to be clarified is the apparent lack of emphasis on research and extension to develop and introduce new crop and livestock varieties among subsistence communities in order to improve their productivity and ability to participate competitively in commercial agriculture. Also of concern is the lack of a focus on the economic, environmental and/or health-related impacts of the cross-border movement of livestock.

#### **Recommendations:**

1. Provide examples of the kind of measures and/or incentives that encourage usage of improved inputs – hybrid seed, fertilizer, pesticides and machinery; this discussion would benefit from a strong focus on science and extension. For example, soils in arid and semi-arid lands are said to be sodic/saline. Since only salinity-resistant crops thrive in such areas, it will be important that crop expansion in these areas be informed by research and/or best practices in similar settings.
2. Again, research into crop varieties, soil condition in terms of texture and water holding capacity, acidity, nutrient levels, etc. must form an important activity to ensure improved productivity in the ASALs.
3. This section would benefit from additional, more detailed targets (e.g. % of degraded land rehabilitated) in order to demonstrate visible impact within the 5 year timeframe of the MTIP.

### **C3.1.3 Water Management**

Kenya faces a continuous and increasing pressure for sufficient water resources to support irrigation and other economic activities. The MTIP recognizes the importance of water availability as a precondition for improving livelihoods among its people, especially the pastoral communities. By expanding its irrigation and water storage infrastructure, the government of Kenya envisages to increase the vast, but still unexploited irrigation potential in the country to increase land area under agriculture. Through the MTIP, the GoK recognizes a number of challenges and constraints to the sustainable management of water resources and irrigation development. Key among these are:

- ✓ Water catchment areas and wetlands are being encroached upon;
- ✓ Decreasing forest cover, resulting in the loss of springs, streams, and lakes
- ✓ Land degradation and erosion leading to the silting of streams and rivers
- ✓ Increasing pollution of water bodies by industrial, agricultural and domestic wastewater that threatens the quality of available water for agriculture. The quality of groundwater in parts of the country is said to be already unfit for agriculture use.

Overall, the GoK is aware that managing water resources in an ecologically sustainable manner accompanied by proper land-use, and an integrated development of resources – agriculture, (livestock, crop, fishery and agroforestry), natural resources (forestry, wildlife), environment and human resources – are fundamental to the success of the MTIP.

However, development and management of water resources is principally by Ministry of Water and Irrigation (MWI), and while this Ministry is a member of the MTIP Inter-Ministerial committee, it is not clear how the resources required for the irrigation component of the plan will be “protected” for agriculture, when the pressure to meet water requirements for domestic purposes is so high (and takes priority). Another issue in the MTIP is that it doesn’t address the risk of transboundary stakeholder conflicts and risks associated with water development with regard to both groundwater and surface water.

**Recommendations:**

1. Clarify the resources requested for irrigation and the development of inland fisheries, and describe how these resources are to be committed to the MTIP.
2. Ensure that a policy and institutional frameworks to guide irrigation development and reduce on duplication of effort and wastage of available resources are developed.
3. Assess the need for a strategy to deal with sharing of trans-boundary water bodies
4. Include the monitoring of available surface water and groundwater in early warning systems, and link to agriculture information systems.

**C3.1.4 Land Policy/Administration**

Kenya’s land tenure laws do not discriminate against women, although traditional practices in some areas do. Access to management of agricultural land will have to be one of the issues addressed in the ag-sector gender policy currently being developed.

The MTIP clearly identifies risks associated with agribusiness and complicated land laws and tenure systems that have hitherto limited the use of land as collateral, and which have made financing of agriculture unattractive to the formal banking industry. To deal with these challenges, the GoK has formulated and passed a new land policy to assure secure land tenure, sustainable land use planning, and equitable distribution of land in order to contribute to the country’s food security and socio-economic development. The government is currently making new efforts to develop a national spatial plan and land use policy, with the latter intended to address challenges of rapid urbanisation, inadequate land use planning, unsustainable production, poor environmental management, and inappropriate ecosystem protection and management.

One aspect of land tenure and land use that may require additional focus is the use of communal land, and particularly whether communities managing communal land resources will be empowered to use them as collateral to access credit.

**Recommendation:**

1. That the Land and Natural Resource Management Thematic Working Group take up the issue of communal land as collateral to determine whether this has been institutionalized successfully elsewhere and could be done in Kenya.

**C3.1.5 Climate Change**

As mentioned above, the MTIP is to be commended for its “forward-looking” linkage of climate change and agriculture”. The GoK has already moved to develop a policy framework and strategy for environment and climate change, and ASDS and MTIP recognize the potential benefit from bio-energy development and carbon credit facility through forestation and reforestation.

Issues and actions pertaining to climate change are addressed in several of the MTIP investment areas, however, both the document would be strengthened if climate change were addressed as a strategic focus. ASCU may wish, as part of its communication strategy, to identify the climate change “agenda” that will actually be implemented through the MTIP.

**Recommendations:**

1. Consider deepening the MTIP’s focus on climate change by highlighting those activities in the MTIP which would contribute to the implementation of a climate change agenda.
2. Ensure that these activities (reflected in the agricultural sector areas of focus in the National Climate Change Response Strategy of April, 2010) are budgeted for.

**C3.1.6 Monitoring and Evaluation**

MTIP recognizes the need for a sector-wide M&E system capable of feeding directly into National Integrated Monitoring and Evaluation System, and the first stage of its development—a “scoping” exercise-- has been completed. When the MTIP prioritization process has been finalized, it will inform the work being carried in phase two, leading to the preparation of a draft for consultation with partner. However, it would be very useful, for both the ASCU as it continues work on the M&E system, and for development partners who are working to align their programs to the MTIP, to develop a summary results framework immediately after the prioritization work is completed. While likely to be more focused than the ASDS framework, the MTIP could also be more comprehensive, by ensuring that it reflects both growth, and poverty (food insecurity) targets.

**Recommendations:**

1. Accelerate work on the sector-wide M&E framework, engaging stakeholders as soon as possible.
2. Develop a Results Framework based on the finalization of the prioritization process and circulate prior to the completion of the M&E framework.

**C3.2 Pillar 2 – Improving rural infrastructure and trade related capacities for market access**

The MTIP has several investment areas directly address the areas of rural infrastructure, trade related capacities and market access Investment areas two and five that deal with private sector participation and increased market access and trade respectively. These investment areas target the establishment of innovation funds to promote public – private partnership, efforts to build private sector capacity and actions to increase the participation of smallholder farmers and farmer organizations in markets and trade. The AWG for market access and private sector participation is involved in reviewing these investment areas and developing a policy framework to promote agribusiness development.

**C3.2.1 Raise the competitiveness and seize opportunities in domestic, regional and international markets.**

The priority investment activities identified in the investment plan to address this investment area are:

- Strengthening marketing grades and standards
- Strengthening enforcement of food safety regulations
- Removing barriers to internal movement of food commodities

Reducing barriers to regional and international trade in food commodities

Harmonizing regulations governing regional trade in food commodities

It is not clear what work is taking place to improve an understanding of market options, scale of markets at a national, regional or global level. It also does not appear that there is significant attention given to building on the lessons learned in Kenya on value chain development and what steps can be taken to deepen the ongoing value chain efforts that build linkages among the private sector. A fuller review and discussion of how the value chain approach can be applied to various commodities and ecosystems in Kenya would be helpful.

**Recommendation:**

1. Considering the strategic importance of regional trade and integration for long term growth, the MTIP needs to show more explicitly, how the country intends to exploit the linkages and opportunities for regional trade, and identify clearly, what activities will be carried out to promote trade across border corridors.
2. Examine the utility of value chain approaches to stable food commodity systems and high value commodities.

**C3.2.2 Invest in commercial and trade infrastructure to lower costs of supplying domestic, regional and international markets.**

The key intervention areas identified are:

Developing and promoting low-cost post-harvest technologies

Constructing/rehabilitating rural and urban marketplaces

Investment in access roads

Construction of multipurpose dams

Promote renewable source of energy to facilitate production and processing

Additional investments in rural development for telecommunication might be prerequisite steps for the development of rural processing agro-enterprises and should be considered. It is not clear what steps are being taken to examine the need for and priority of these actions.

**Recommendations:**

1. Identify agricultural infrastructure needs and coordinate with the Ministry's responsible to develop a joint action plan.

**C3.2.3 Strengthen the commercial and technical capabilities of farmer organisations and trade associations.**

The Government of Kenya intends to achieve this objective through:

1. Developing and promoting of use of low-cost post-harvest technologies
2. Strengthening farmer cooperative capacity in post-harvest grain management
3. Increasing business skills of farmer cooperatives
4. Leveraging public food procurement for pro-smallholder market development
5. Increasing transparency and predictability in the management of the Strategic Grain Reserve



**Recommendation:**

1. There is need for investment in capacity development for smallholders in primary processing and storage of farm surpluses for alternative market access. Building small holder producers' capacity to add value is a critical component of strategic agribusiness and market access development.

**C3.3 Pillar 3 – Reducing hunger and poverty**

Under the CAADP framework for African Food security, focused reduction of vulnerability and improved food security must address four key objectives; improving risk management, increasing food supply through improved production and market linkages, increased economic opportunities for the vulnerable and increased quality of diets through diversification of food.

ASCU coordinated the development of Kenya's new Food Security and Nutrition Policy and Strategy, which are soon to be approved by Parliament. Several of the interventions contained in that strategy are found in the MTIP, and the MTIP recognizes its role in the implementation of the Food Security and Nutrition policy. However, there is no coherent treatment of the policy, or the activities being undertaken to implement it in the MTIP, nor have targets or indicators been established to help ASCU measure the impact of the MTIP on the overarching food security targets established by that policy and the ASDS.

Finally, there is no real description of poverty and food insecurity by agro-ecological zone, and no beneficiary profiles or targets for reducing food insecurity.

**Recommendations:**

1. The MTIP would benefit by a brief description of the Food Security and Nutrition policy, and how the MTIP will contribute to its implementation. Relevant activities have been included in several investment areas and these should be highlighted and included in the budget. Linkage/coordination with the Ministry of Health—whether through the Food Security and Nutrition Thematic Working Group or otherwise—should also be described.
2. Beneficiary and investment area targets and indicators capable of contributing to monitoring the MTIP's impact on poverty and food insecurity should be developed for the implementation of the MTIP.
3. A process should be identified to develop an implementation plan for the Food Security and Nutrition Strategy.

**C3.3.1 Risk management**

The MTIP clearly recognizes the need to mitigate risks to food security in Kenya, and it acknowledges that its different agro-ecological zones face different food security challenges. There is a focus on the need to mitigate the impacts of weather variability-- especially for pastoralists and those in low rainfall areas. Specific challenges in terms of diseases, destruction of range lands and conflict over the use of pastures have been highlighted and some investments to address some of these problems have been proposed. One example is the drought cycle management planned for arid and semi- arid regions. There are also planned investments aimed at reducing the problem of livestock diseases with the aim of lowering livestock mortality.

The plan's production targets include a margin for sufficient and functional grain reserves country wide, and urban food insecurity has been highlighted and investment initiatives for the development of a policy on urban and peri-urban agriculture have been included.

However, the MTIP does not highlight and quantify clearly the Kenya's vulnerable groups, or map food insecurity, nor does it establish specific targets linked to reducing food insecurity and undernutrition.

While "strengthening drought early warning systems" is specified as an activity in both the Increasing Productivity and Sustainable Land Management investment areas, it is not clear whose responsibility this will be, nor how it will be funded.

Finally, the MTIP is not clear on the role the agricultural sector will play in terms of investment and capacity building on the part of extension staff to facilitate up-scaling the adoption of crop and animal insurance to promote resilience among the vulnerable groups.

**Recommendations:**

1. The lens of risk is essential for the promotion of risk mitigation. The MTIP needs to clearly identify and profile the vulnerable. This will facilitate focused planning to build resilience at all levels (national, district, household and individual). The CAADP Pillar 3 Framework for African Food Security (FAFs) has helpful guidelines in this regard.
2. There is need to plan activities for putting in place comprehensive early warning systems that will ensure timely and comprehensive information dissemination for decision making and mobilization of responses to emergencies. This is well covered on page 68-69 of the ASDS but is not reflected in the MTIP but seems to have not been translated into investment activities in the MTIP.
3. If linkages to other ministries, like the Ministry of Special Programmes for instance, are critical for the provision of safety nets to small holder households, then it would strengthen the MTIP to describe these linkages
4. The MTIP must specify the role the agricultural sector will play in terms of investment and capacity building of extension staff to facilitate up-scaling the adoption of crop and animal insurance to promote resilience among the vulnerable groups.

**C3.3.2 Improved food supply through increased production and market linkages**

The MTIP Investment intervention 1 looks at increasing production, commercialisation and competitiveness. Under this intervention, the plan proposes increasing access to inputs (drugs, fertilizers, pesticides, machinery, seed and other planting materials) and recommended practices.

The problems of low productivity due to poor adoption of technologies especially among small scale farmers have been noted. Consequently extension and research services to facilitate improved production by small scale farmers have been planned. This is in line observation by experts that investment in research and extension has potentially high returns for growth and poverty reduction. In addition improved access to and affordability of quality inputs have been planned and budgeted for among other ways through promotion of producer association.

The MTIP also establishes are clear targets for productivity in terms of expected increases in the production of food crops like maize, wheat and rice and the same is done for capture fisheries and livestock.

The MTIP includes activities aimed at improving infrastructure, reducing barriers to regional and international trade in food commodities, strengthening farmer cooperative capacity and pro-small scale market development as a way of improving market linkages and encouraging production.

The ASDS and the MTIP acknowledge the important role that aquaculture can play in terms of increasing household incomes and promoting food security; however, in the MTIP it is not clear

whether the focus is only on marine fishing (capture) or whether fresh-water aquaculture is included. In general, the latter has the greater impact on the incomes and nutritional status of the poor.

The MTIP does adequately reflect recognition that national food security does not necessarily translate into food security at the household level. The MTIP does aim to reach vulnerable small holder households, and special programs are already being implemented to increase their access to inputs and credit; however this focus does come out in the MTIP document.

**Recommendations:**

1. The plan should include increasing participation of vulnerable households and small scale farmers in general in aquaculture as a strategy to increase incomes and promote food security.
2. Owing to the importance of effective storage for small scale farmers in increasing availability, accessibility, utilisation and security of availability of food (mitigating the 30% post harvest losses), ASCU should consider placing more emphasis on this rather than putting it as a subcomponent of promotion of value addition.
3. The plan would benefit by highlighting interventions which will specifically target or benefit vulnerable households, with “vulnerable” clearly defined by agro-ecological zone.

**C3.3.3 Increased economic activities for the vulnerable**

The MTIP recognizes that one of the underlying causes of food insecurity is poverty due to lack of employment. There is an attempt to show that the development and promotion of post harvest processing and value addition will create employment in rural areas and specifically diversify income for the Arid and semi arid farmers. The plan stipulates the investments that are aimed at diversifying livelihoods of households in the different areas based on high rainfall, semiarid and arid regions especially with regard to agro processing.

However, there is no clarity on targeted groups by economic or agricultural activity beyond the regional characterization to facilitate drawing of clear interventions and targets for each of the livelihood groups.

**Recommendations:**

1. The plan needs to show clearly the livelihood groups targeted by the different investment programmes, and the improvements that are being planned in a way that can be measured and verified. This would include beneficiary analysis that will enable tracking of achievements in the ensuring diversification of incomes for the vulnerable
2. The MITP recognizes the problems of urban food insecurity, although the only reference to urban agriculture is found in an activity proposed to develop a policy on urban and peri-urban agriculture. Ensuring that this policy is developed in the context of the Food Security and Nutrition policy would contribute both to the achievement of MTIP and the policy’s goals.

**C3.3.4 Increased quality of diets through diversification of food**

Although MTIP points to the implementation of the well articulated draft Food Security and Nutrition Strategy in dealing with improving the quality of diets and diversification of food, the MTIP does not appear to include activities that will promote diversification of food production for vulnerable groups as a way of promoting dietary diversification, nor does it indicate how agro-processing and research will complement the efforts in addressing the problems of malnutrition in the country. The MTIP is also largely silent on issues pertaining to food safety.

**Recommendations:**

1. Including a focus on Food Security and Nutrition in the MTIP will help to clarify what the plan is currently covering, what it should consider covering and what clearly falls out of its mandate. The Food Security and Nutrition working group should be able to facilitate this process, as well as identify innovative mechanisms to deliver nutrition messaging across the Ag-sector.
2. The MTIP should be clear on how agricultural production will help in diversifying diets especially for the vulnerable groups and the ways in which agro-processing, research and extension will contribute to combating malnutrition in Kenya.

### **C3.4 Pillar 4: Agricultural Research, Technology Dissemination and Adoption**

Kenya's ASDS and MTIP recognize the importance of research across the Ag sector, however, it is perhaps the least-well articulated priority in the MTIP, which focuses much more heavily on extension. That said, two of MTIP's six investment areas create the space for strengthening the role of research in support of agriculture – "Promote private sector investment and participation in all aspects of agricultural development, including research" and "Reforming and improving delivery of agricultural services and research". In addition, implementation of these investment areas is supported by a vibrant Thematic Working Group for Research and Extension, with members from several research institutions (KAARI and ISAAA), private sector (KEFAP and AFPEK), NGOs (World Vision and Parm Concern International), and the Ministries of Ag, Livestock, Fisheries, and Cooperatives.

The MTIP activities on agricultural research address the role of the Government in contracting and regulating organizations or individuals to deliver research, the share of public and private sectors in the cost of research and human resource development in the research system. Activities of the investment intervention 4 are aligned with the component on Agricultural research of the Framework for African Agricultural Productivity (FAAP).

Also, the investment priorities in agriculture were informed by data intensive analysis and stakeholders workshops which comply with the FAAP component on increasing investment in Agriculture at National level.

The MTIP could be strengthened with the specific mention of key areas to be supported through research and extension. Examples of these include: value addition, diversification of diet, and post harvest handling. Also, both research and extension are highly relevant to sustainable land management and climate change. Finally, it will be necessary to elaborate a research agenda to support the implementation of the Food Security and Nutrition agenda.

Several areas that the Research and Extension TWG might wish to consider as it elaborates a research and extension agenda for the MTIP include:

1. Empowering smallholder producers by including them in the definition of research priorities;
2. Exploring cost-sharing in agricultural extension with local governments, farmers' associations, producers—what mechanisms/capacities need to be in place for farmers and extension systems to pay researchers; and
3. Ensuring that the capacities required to support innovative research and extension interventions are identified and included in an MTIP capacity development plan.

#### **Recommendations:**

1. Strengthen the MTIP document by deepening the discussion of research as a priority and directly linking the MTIP to the National Agricultural Sector Extension Policy (NASEP) and the National Agricultural Research System (NARS) Policy. Provide examples of its role in each investment area, and by making it visible in the budget matrix.

2. Ensure that an inventory of research activities and requirements across all 6 investment areas is carried out, so that the Research and Extension TWG can map existing efforts and develop a comprehensive research agenda to address gaps.

### **C 3.5 Monitoring and Evaluation**

The ASCU is now in the process of establishing a comprehensive M&E framework and system to track performance of the MTIP. These efforts are at an early formative stage. This M&E system is intended to build on and operationalize the ASDS results framework found as an annex to the main ASDS document. The preliminary details of the MTIP M&E framework, work plan for establishing the M&E System, and the definition of roles and responsibilities for its implementation are outlined in a draft report “*Support for the establishment of a sector-wide monitoring and evaluation framework in Kenya’s Agricultural Sector*”. It will link with and be part of the National Integrated Monitoring and Evaluation System for the Government of Kenya.

While there is significant progress being made to establish an M&E system and baselines, a key concern is the lack of high level targets and performance indicators that connect the ASDS related efforts to the commitments made on food security and poverty reduction.

The establishment of a sector wide M&E system, supported by the GOK, development partners, NGOs and private sector will be a key action to boost the efforts of the government and development partners to harmonize and align development assistance with the ASDS and the MTIP.

Fundamentally, the MTIP document does not provide a sufficient level of detail to understand the M&E system, the results framework for the ASDS, the expected products of the M&E system, or the indicators to be used. Nor does it reference the key guidance documents that help build confidence that a credible M&E system and review process is being established.

#### **Recommendations:**

1. Provide a fuller description of the M&E system (objectives, expected products, review and reporting processes, who is expected to report into and be accountable through the system, implementation responsibilities), and clearly reference core documents, links to ASDS Results Framework, and primary points of contact.
2. Expedite establishment of the comprehensive M&E system, and especially the establishment of baselines for key indicators to be monitoring during the MTIP pre implementation period.
3. Identify and integrate several key high level food security and poverty indicators that will be tracked through the MTIP M&E system.

### **Component 4: Alignment with country commitments**

#### **C4.1 Prioritization within and across investment areas**

The Agricultural Sector Coordination Unit (ASCU), as a focal body for the CAADP process in Kenya, effectively led the post-compact process by 1) coordinating the activities of the various ministries related to the agriculture sector, and 2) structuring the modalities for broad participation, including development partners, the business community/private sector, and farmer organizations/associations. A wide range of state and non-state actors contributed to the development of the ASDS and MTIP, including identification of priority investment areas and ecosystems for concentration.

Key actions to address binding constraints to food security were identified by government agencies through a bottom-up process. The choice of activities was guided by 1) appropriateness to each major agro-ecological zone (high rainfall, semiarid and arid), 2) a

Theory of Constraints (TOC) analysis to help focus on binding constraints, and 3) an assessment of alignment with the ASDS priority areas of concern. Of the six priority areas of investment identified in the MTIP, four align with the CAADP pillars and two provide extra considerations based on country context.

Country background economic data, performance review reports and other relevant studies were assembled to inform the development of the MTIP. However, the methods used to define and prioritize activities within the MTIP investment areas do not adequately build upon the strong evidence base that demonstrates the contribution of selected interventions to poverty reduction and growth (see the Kenya Economic Report). Investment areas were not screened in terms of their potential contribution to the overall performance targets of the ASDS. Therefore, the causality between the proposed activities and performance targets has not been established, nor has the relative importance of proposed activities for driving growth and reducing poverty.

The program components require greater specificity regarding expected outcomes, so that it is possible to measure the contribution of the investment areas to the ASDS performance targets. The MTIP needs a framework for setting priorities among 1) various commodities and value chains and 2) various environmental services that can support economic growth and food security. Finally, the investment plan does not adequately identify the estimate of private sector investment or the different categories of private sector investment (including FDI).

As a summary document, the MTIP does not provide enough detail at the activity level to indicate whether a further level of prioritization has been undertaken to account for shortfalls in budget or delays in implementation. The MTIP financing gap is 2.5% of the total budget (around \$73 million) but it appears to affect the implementation of programs in later years of the MTIP, so prioritization to accommodate funding gaps may not be immediately pressing.

**Recommendations:**

1. Complete the priority setting process by utilizing sufficient evidence to justify investment choices, especially between commodities and value chains; and among alternative environmental services.
2. Complete supplementary analysis to define priority investments in each rainfall zone. This analysis should demonstrate which value chains offer the greatest prospect for achieving the targeted growth and food security reduction rates.
3. Establish performance targets and sub-targets that clearly show the share of ASDS targets that will be derived from each investment area. For example, what share of the target 7.2 per cent growth target will come from each investment area, and what share will come from each agro-ecological zone?
4. Complete beneficiary analysis to characterize the distribution of the population in terms of income quartiles and poverty rates, in order to support targeting, the development of appropriate packages of assistance, and monitoring and evaluation.
5. Clearly articulate the modalities of engagement of the private sector in the investment plan, including an adequate estimate of private sector investment and provisions for different investment categories (including FDI).
6. Provide further prioritization during years one and two as necessary to accommodate any financing gaps.

**C4.2 Links with existing sector programmes/projects**

Kenya's post-compact process provided a solid basis for developing the MTIP, based on the ASDS for 2010- 2020 and the country's long-term development vision, Kenya Vision 2030. The MTIP does a thorough job of inventorying and mapping the linkages of over 140 programs and projects currently being implemented in the Kenyan agricultural sector. It also provides a

strong foundation for facilitating a process to secure alignment of these ongoing efforts with the priority areas of the MTIP. A key next step in implementing the MTIP will be the establishment of an alignment process to assess and make adjustments to these ongoing activities.

The MTIP broadly covers the agricultural sector and attempts to link with issues including nutrition, environment and climate change. However, there is insufficient connection to other relevant ministries, including the Ministry of Energy and the Ministry of Roads. There is also no discussion of urban food security and potential links with the Ministry of State for Special Programs, which is responsible for social protection. It is not clear what commitment other ministries have made toward collaboration with the agricultural sector. Further work could also be done to adequately capture the climate change issue.

**Recommendations:**

1. Meet with development partners as early as possible to clarify a process for accelerating harmonization and alignment under the MTIP. A clear articulation of the criteria that will be used to prioritize investments in each investment area will help to ensure that the alignment process does not become an attribution process. Expected outcomes of an alignment exercise would include:
  - a. A clear articulation on ongoing government and donor activities which are included in the implementation of the MTIP
  - b. The identification of activities which, if modified, could be reassessed for inclusion in the MTIP, as well as a description of the required modifications.
  - c. Agreement to a process and timeline for alignment with a common M&E framework.
2. Develop a common strategy or consensus on how to harmonize existing programmes and projects around the MTIP.
3. Conduct joint work planning and collaborative mechanisms at not only the higher levels, but also at the operational level.
4. Capture lessons learned of smaller projects that may be phased out under the sector-wide approach.
5. Clarify the intersection between the Food Security and Nutrition Policy and the MTIP.
6. Clarify linkages between the MTIP, climate change adaptation policies and the national Climate Change Response Strategy of Kenya.
7. Clarify linkages between the MTIP, the ASDS and Kenya Vision 2030, in terms of the priority investment areas' contribution to sectoral growth and other stated goals.

**C4.3 Links to regional agriculture sector development plans**

Several components in the MTIP have implications for regional agricultural development, particularly within agricultural research and market access and trade. The Kenya Agricultural Research Institute (KARI) has research programs in collaboration with the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA). Particularly, the Eastern Africa Agricultural Productivity Program, which is being implemented in Kenya, Uganda, Ethiopia and Tanzania, aims to share knowledge and technology transfer across countries in the sub-region, reducing the cost of research and technology generation. Kenya has been selected as a center for excellence for dairy technology research and development, with results being shared by all partner countries.

The MTIP has identified increasing market access and trade as one of the priority areas of investment. While the MTIP focuses primarily on improving internal market functions, it does target improving cross border trade in food and other commodities, improving regional trade, and strengthening market access. Kenya is an active participant in two regional economic

communities – COMESA and the EAC, both of which have developed strong regional trade strategies for agriculture.

In order to meet the future fertilizer demands of the region, the fertilizer cost-reduction project will encourage countries in the region to join together to invest in a fertilizer manufacturing plant. Realizing this goal will require collaborative investment and capacity building at the regional level.

Despite the focus on market access and trade, links to regional integration, agri-business trade and regional and global market issues are not thoroughly developed in the MTIP. The issue of regional agricultural sector development was mentioned in the compact, but the MTIP has not clarified country commitment to invest in regional issues. The MTIP also does not provide clear understanding of the actions that can be taken at the country level to contribute to or benefit from regional trade, sharing of science and technology, or capacity building. And it does not provide clear guidance for regional programs in terms of what could be done to help Kenya achieve its goals and targets.

**Recommendations:**

1. Clearly articulate the contribution of MTIP to the regional agricultural sector and agri-business trade development, including commitment to investment, technical engagement and collaboration with neighboring countries.
2. Clarify the importance of regional integration to achieving the ASDA and Vision 2030 targets, and highlight actions necessary to strengthen Kenya’s role as an economic force in regional agriculture markets.
3. Work with COMESA, EAC and neighboring countries to complete analysis that can clarify the proposed or desired impact of regional programs on the overall national performance targets; clarify what capacity needs to be developed or actions should be taken to enable Kenya to more effectively participate in regional and global markets.
4. Identify the implications of regional trade commitments made as part of EAC and COMESA in terms of change to domestic policies or regulatory mechanisms, as well as investments that may be required in terms of capacity and infrastructure in order to implement them.
5. Engage in the regional CAADP compact process.

**C4.4 Identification of policy issues and steps required to resolve them**

The MTIP implementation process has done an impressive up front job through the Thematic Working Groups of identifying key policy areas that can help support the investment areas. And, significant progress has been made in developing the policy frameworks including the consolidation and reform of key laws. However, these efforts are not described and the linkages of the policy efforts to the investment plan are not made clear. The MTIP does not provide a process for review of existing policies and regulatory frameworks or explain how the implementation of MTIP may trigger new policy and regulatory areas.

**Recommendations:**

1. Clarify what existing policies and regulatory frameworks will be reviewed for adjustment to facilitate implementation of the MTIP.
2. Clarify what emerging policies and regulatory frameworks may need to be in place for the sector investment and development plan to succeed.
3. Amend the MTIP to describe the MTIP policy process and steps being taken to support the investments.



4. Develop a summary or matrix of priority policy frameworks and actions that are being developed, and include this as an annex to the MTIP. Subsequently, develop a policy index to help track implementation of the policy agenda, and describe the policy actions in the MTIP document, e.g., under each investment area describe the policy frameworks relevant to that area.
5. Identify in greater detail the policy implications of certain investment area activities, in order to initiate the analysis and policy process. This is particularly important for increasing markets access and trade and the promoting private sector participation.

### **Component 5: Operational realism**

In Kenya, operational realism begins with coordination. Ten Ministries are directly involved in the implementation of the Agricultural Sector Development Strategy (ASDS). An Agricultural Sector Coordination Unit (ASCU, established in 2005) is effectively coordinating planning and communications across these Ministries, and this unit guided the broad-based stakeholder process which produced the ASDS. The MTIP describes the ASCU, and the implementation framework it is developing. This framework is comprehensive in scope and includes coordination mechanisms for policy development, technical direction, and implementation, which are inclusive of private sector, civil society, the academic community, and donors.

The MTIP reflects the thorough analysis of the constraints and opportunities contained in the ASDS, and in attempting to operationalize this strategy. It reflects a prioritization of actions required during the first five years of its implementation. This includes an acceleration of policy development and policy reform.

The MTIP financing plan estimates a total development budget of Kshs 247 billion (\$3.05 billion) over five years. It assumes that current levels of development partner spending will be maintained over the five year plan period, representing 31.2 percent of the development costs of the MTIP. Government investment is expected to increase by 30% over the period, representing 65.3% of the development budget. Private sector investment is expected to increase over the period, representing 1% of the development budget. The overall funding gap represents 2.5 percent of the development budget and is estimated at Kshs 6.23 billion, or approximately \$77.05 million.

A full assessment of the MTIP's operational realism is constrained by the fact that it does not provide sufficient evidence that the priorities it has identified, funded at the proposed levels, will drive and sustain the ASDS's targets of 7% agricultural growth and 30 percent reduction in food insecurity.

#### **C5.1 Viability of implementation arrangements**

The ASCU has developed a coordination and governance framework for the ASDS. (Annex XX). It is significant that this framework anticipates the reform of institutions involved in the governance of agriculture as the new Constitution is implemented. Key strengths include its scope (local level coordination through inter-ministerial coordination up to a National Forum) and inclusiveness (significant participation of non-state actors, donors, and the academic community). Another strength is the inclusion of "Thematic Working Groups" which provide a platform for sub-sector coordination and feed directly into a Director-level technical committee with decision authority.

The ASCU is considering the development of an agriculture sector-wide support program, and a framework has been developed for discussion. While still in the early stages, a SWAP for the agriculture sector could provide a useful tool for coordination and harmonization. The ASCU is

also coordinating the development and implementation of an aggressive policy review and reform agenda under the ASDS. Accomplishments to date include the harmonization of 131 separate laws into 5 Agriculture Bills (Coordination of the Agricultural Sector, Livestock, Crops, Fisheries, and Research and Education). ASCU has also coordinated the development of the National Seed Policy, Co-operative Development and Investment Policies; a National Agricultural Sector Extension Policy; and a National Agricultural Research Policy. The unit also supported the development of a National Food Security and Nutrition Policy.

- Current TORs for the various committees and working groups within the ASDS coordination framework do not adequately describe their roles, responsibilities, and outputs. This lost opportunity to clarify critical implementation modalities.
- Agriculture Sector Working Group (Aid Effectiveness Group for Agriculture) members indicate that although the coordination framework is a step in the right direction, meetings of the various groups should be regularized. They feel it would be particularly useful to coordinate the timing of the Ag Sector Working Group with Thematic Working Group Meetings.
- Several Thematic Working Members met with felt that their group did not have adequate input into the MTIP; however, two of the groups have been recently established (or, in the case of the Food Security and Nutrition Group, re-established), and may not have had the same opportunities to provide input. There is an ongoing debate both in ASCU and in the Thematic Working Groups as to whether or not these groups should be reconstituted along the lines of the MTIP investment priorities.
- At the CAADP Compact launch, donor partners pledged to progressively align their planning and budgeting processes with those established for the sector-wide implementation of the MTIP, and as a group, they will be a sectoral sub-group under the Harmonization and Alignment Committee. However, Ag-sector working group members voiced their expectations that due to differing program cycles and institutional constraints, real alignment would be a lengthy process. Harmonization of and adjustments to existing programs are recognized as critical next steps in the “pre-implementation” phase of the MTIP; however, no process for these actions has been articulated. The description of Annex 2 (a summary of how existing projects line up with the six investment areas) does not correspond to Annex 2 in the draft MTIP
- Private sector stakeholders spoken with feel that Government is making a real effort to include them in planning and strategy development; however there remains significant room for a discussion of roles, responsibilities, and expectations, and a need for a clear articulation of what constitutes a public good and what constitutes a private good. There was some concern on the part of farmer and pastoralist producer associations that a clear focus on developing and strengthening organizations of smallholder producers in the ASDS had been lost in the MTIP. Non-profit private sector organizations appear to be less represented in the coordination framework; however, their role as implementers is clearly acknowledged.

**Recommendations:**

1. Strengthen the TORs of the committees and working groups that constitute the institutional architecture for sector coordination.
2. Encourage self-assessment by committees and working groups, and poll/survey stakeholders in the coordination process regularly to identify issues and or suggestions for improvement.
3. Functional thematic working groups can provide valuable input into the coordination and implementation of the MTIP, and help to create synergies across investment areas; however, the table illustrating the linkages between investment areas and working group themes

should not be seen as defining the mandates of the Thematic Working Groups, and is a particularly misleading description of the potential contribution of the Food Security and Nutrition TWG.

4. ASCU should meet with development partners as early as possible to clarify a process for accelerating harmonization and alignment under the MTIP. A clear articulation of the criteria that will be used to prioritize investments in each investment area will help to ensure that the alignment process does not become an attribution process. Expected outcomes of an alignment exercise would include:
  - a. A clear articulation on ongoing government and donor activities which are included in the implementation of the MTIP
  - b. The identification of activities which, if modified, could be reassessed for inclusion in the MTIP, as well as a description of the required modifications.
  - c. Agreement to a process and timeline for alignment with a common M&E framework.
  - d. Clarifications of the MTIP's support for interventions to strengthen small holder producers' organizations will be necessary for their umbrella organizations' support.

### **C5.2 Institutional assessment**

Significant technical capacity exists with Kenya. The challenge will be to identify the mechanisms/modalities to optimize it. A functional assessment of institutional architecture of the coordination framework is ongoing, as is an in depth assessment of the impact of devolution on the Decentralized Coordination Units. The successful implementation of the MTIP is largely dependent on the ASCU; however capacities of the unit are already stretched.

Capacity needs are identified in several of the investment areas but are absent in others. There is no articulation of a strategy to ensure that capacity needs are comprehensively identified and addressed. The potential contribution of the Thematic Working Groups in this regard appears to be untapped.

#### **Recommendations:**

1. Include the coordination of capacity development in the ASCU work plan.
2. Identify critical capacity needs required for pre-implementation.
3. Develop a capacity development plan for each investment area.

### **C5.3 Indicative Financing Plan**

To gain a full picture of the MTIP financing plan and its realism the review team examined the MTIP document submitted for review, the background document for the MTIP which provides a fuller explanation of financing for each activity, as well as examined the costing and budget notes completed for each activity. In addition the team reviewed the Kenya Economic Survey for 2009 which provides a good analysis of historical budget trends, absorption capacity and efficiency of the public financial management taken from the PER. The team also met with Ministry of Finance and Ministry of Agriculture officials.

To arrive at an estimated cost for the plan, six overarching investment areas were identified, activities were identified under each investment area, and detailed activity budgets, including unit costs, were developed at the activity level. While each activity does have a budget, this data has not been assembled to facilitate analysis across activities of unit costs, among other things. A cursory review of unit costs suggest that they are reasonable and consistent with historical for such efforts in Kenya. However, the activity costing does not clarify expected outcomes of the activities.

In sum, the MTIP proposes a development budget of Ksh 247.6 billion (\$3.09 billion) covering a five year period from FY 2010 to FY2015. This translates into a development budget in 2010 of Ksh 37.8 billion and growing to Ksh 60.680 billion by 2015, along with increased levels of recurrent budgets. This represents an annual x percent increase in GOK development budgets and a near doubling of development financing for agriculture over the life of the plan. While this is ambitious, it is consistent with the priority given to food security in the GOK 2030 Development Strategy, which serves as the basic frame of reference for the ASDS.

To finance the MTIP plan, the government projects and proposes that the government of Kenya provide Ksh161.22 billion (65.3 percent) of the total development budget cost, request development partners to provide an estimated Ksh 77 billion (31.2 percent) of the total development cost, and private sector to provide Ksh 2.56 billion (1 percent) of the total cost. **This leaves a gap in funding of ksh 6.23 billion (2.5 percent) of the total cost.** The proposed financing plan includes and integrates financing across ten Ministries. The proposed financing from GOK is consistent with the recent policy to place a larger share of the GOK financing into development rather than recurrent budgets.

The proposed GOK request for development partner financing is consistent with current levels of financing for 2010. No clear projections of financing have been provided by the development partners of financing. However, trends in development partner financing for agriculture and food security are reportedly on the rise over the past several years.

In general, the projected cost and financing of the plan appears feasible in terms of the scale, availability of funds, willingness of the Government of Kenya to secure funding, and the willingness of development partners to provide financing. However, it is still not clear whether the projected plan and related financing costs are credible from the point of view of being able to achieve the ASDS targets and goals. Analysis is pending to inform the discussion regarding the consistency of the projected growth targets of the strategy and the projected outcomes of the investment plan if implemented. This may affect perspectives on the financing plan.

**Recommendations:**

1. When the consistency analysis has been completed, re-examine the investment plan costs.
2. Complete a report on costing, and where gaps exist, clarify the outcomes of activities and their links to the ASDS targets. This could be completed as part of the alignment review process.
3. In support of the MTIP the government and development partners should establish a date, acceptable to all parties, by which commitments are clarified, presumably well before the next fiscal year.

**C5.4 Agriculture Sector Public Expenditure Review**

Public expenditure reviews are carried out on a regular basis, and it is clear that analysis of annual expenditure trends, poverty and growth statistics have helped to inform the development of investment categories in the MTIP, and the attempt to prioritize investment across them. The Ministry of Agriculture also publishes an annual Agriculture Economic Review which provides an overview of investments, performance and reforms within the Ag Sector. Successive PERs demonstrate low levels of budgetary absorptive capacity across the Ag-sector ministries. This is addressed below

**C5.5 Public financial management capacity**

According to the Kenya 2009 Economic Report (Kenya Institute for Policy Research and Analysis) development expenditure in agriculture has quadrupled between 2002 and 2009; however the ag sector has, on average, absorbed only 67 percent of its budget allocation over the same period. Capacity varies significantly between Ministries, with the Ministries of Land, Livestock, and Fisheries experiencing the greatest challenges. Absorptive capacity in the Ministry of Agriculture has increased steadily over the last 3 years, from 58 to 74 percent.

In 2007/2008 the Ministry of Agriculture established a Budget Implementation Committee to oversee budget execution. The committee meets on a monthly basis to review progress in the expenditure of the Ministry's budget, allowing for "real-time" identification of bottlenecks or other issues. Departmental procurement plans and budget implementation matrices are reviewed every quarter to establish reasons for variations and identify quick remedial measures if required. The tenure of the Budget Implementation Committee corresponds with steady improvement in the Ministry of Agriculture's budgetary absorptive capacity.

The Ag-Sector donor working group has requested that the consultants responsible for the last Ag Sector Public Expenditure review take a closer look at the issue of absorptive capacity in Ag Sector, and, if possible, identify key constraints to absorptive capacity across the Ag ministries.

**Recommendation:**

1. When the current analysis of constraints to absorptive capacity is complete, the ASCU and donor partners should determine whether it provides an adequate foundation for a plan of action, or whether additional sector capacity analysis is required.

**C5.6 Risk Assessment**

The MTIP includes an assessment of Risk and Sustainability, which emphasizes the point that implementing the MTIP in an environment of reform brings risk but also opportunity. The risks arise from the possibility of budgets affected by the costs of implementing a new national governance system, and the likelihood of legislative bottlenecks as Parliament attempts to deal with large numbers of new laws. Real opportunity is seen in the emphasis on governance and accountability that the new Constitution is expected to engender.

Good governance is highlighted as necessary for the implementation of the MTIP, and particularly for the establishment of a transparent sector-wide monitoring and evaluation framework.

While the risk analysis does stress the importance of performance in other sectors, it is largely an aspirational statement clarifying the fact that Agriculture is one piece of the broader 2030 Vision. This perhaps underestimates the need for more deliberate coordination between certain stakeholders of Vision 2030. The Food Security and Nutrition Thematic Working Group should help to ensure accountability between the Health, Agriculture and Social Services Ministries; however, it is not clear in the MTIP where/how coordination is to occur between the Agriculture, Energy, and Rural Infrastructure sectors.

**Recommendations:**

1. The ASDS recognizes the need to coordinate with several Ministries beyond the 10 directly involved in the MTIP. If an effective mechanism for coordination and joint planning to

strengthen rural infrastructure which supports agriculture, ASCU should consider its development, possibly through the creation of another Thematic Working Group.

2. After considering the evidence emerging from this review's consistency analysis, and given the very real risk of budgetary constraints —both for government and donors-- establishing priorities under alternative budget scenarios would be a prudent exercise during the pre-implementation of the MTIP.

### **C5.7 Financial and economic assessment**

The MTIP provides an analysis of the costs and benefits of successful implementation of the MTIP which shows substantial benefits over costs. It is estimated that the Plan will contribute KSh 590 billion (US\$7.375 billion) to total GDP over five years. Accounting for the costs (KShs 247 billion), the net benefits amount to KSh 343 billion (US\$ 4.288 billion). Other measures of financial returns are equally compelling. As noted earlier, the priority setting process does not generate the same confidence regarding the economic returns of implementing the Plan. This is because it has not been demonstrated that the priority program areas and the specific activities within them have the greatest impact on growth and therefore represent the real opportunity cost of the investment funds.

#### **Recommendations:**

1. Addressing the prioritization issues raised in 2.1 above will allow for better estimates of the net economic benefits of the plan.
2. The analysis of benefits presented in the background document needs to be deepened to delineate incremental costs and incremental benefits from expanding production of the various sub-sectors or savings in post-harvest losses. The analysis should also take into account the costs of removing various constraints such as market access and other factors of production as production is expanded.
3. Further analysis will need to be undertaken to show how the benefits will be distributed among regions, different income groups, etc in line with the framework expounded by KIPPRA.

### **C5.8 Estimate of the investment to be provided by the private sector**

There is clearly an expectation that the private sector will play a significant role in achieving the target of 7 percent growth per year over the next 5 years, and, in the absence of reliable data on flows of private investment, the MTIP attempts to derive an estimate of private sector investment based on estimates derived from Kenya's GDP.

Even the consultants involved in the development of the MITP do not feel that the current estimate of private sector investment --a 1% share of the MITP incremental costs—is reliable. The private sector was engaged in the development of the ASDS and is currently participating on all Thematic Working Groups. They are looking for an increased role in the implementation of the MTIP.

#### **Recommendation:**

1. ASCU should move quickly to coordinate the development of a Private Sector Financing Plan. This process would likely need to bridge several Thematic Working Groups, and an expanded set of for-profit and non-profit private sector stakeholders.

## **5. Next steps**

The MTIP lays out an ambitious set of “next steps” which include:

1. Sensitization of stakeholders about the linkages between the Vision 2030, the ASDS, the MTIP, and the CAADP process, in order to clarify roles and responsibilities for the implementation of MTIP;
2. Capacity building in sector-wide approaches to planning and implementation;
3. Harmonization and adjustment of existing programmes and projects in support of the MTIP;
4. Operationalizing plans to develop a rigorous but practical M&E system for the MTIP and agricultural sector more broadly
5. Development and launch of new programmes and projects.

These steps, together with several top level issues identified in this technical review will be critical to address prior to the full implementation of the MTIP. Elaborating these actions, identifying key responsible actors, and establishing timelines for accomplishment constitute a roadmap for the pre-implementation phase of the MTIP.

## **Annex 1: CAADP Post-Compact Guide – See attachment**

## **Annex 2: AGRICULTURAL SECTOR COORDINATION FRAMEWORK AND TORs**

### **Background**

For the past few years the agricultural sector ministries in Kenya dynamically worked on the implementation of the Strategy for Revitalisation of Agriculture (SRA). Although much has been achieved in the last 5 years, 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.

It became imperative to capture these new developments and revise the SRA with the expiry of ERS, the launching of *Vision 2030*, and the achievement of most SRA targets. 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.

As a vehicle for implementing the SRA (sector-wide strategy) an inter-ministerial coordination unit was established. The mandate of the Agricultural Sector Co-ordination Unit (ASCU) is to facilitate and add value to the reform process, and to coordinate the sector ministries and other stakeholder efforts towards the implementation of the ASDS vision. In executing this role, ASCU’s mandate includes managing the ASDS implementation informing about it, and integrating the ASDS ‘way of thinking’ in the normal business of the agricultural sector ministries. ASCU is to ensure that the activities of the sector ministries are ASDS-compliant.

### **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.

#### **Membership**

The president shall be the patron of the NSF. Every key stakeholder at national level in the agricultural sector will be represented in the NSF. The biennial conference will be 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:

- Permanent secretaries in the ministries in the agricultural sector
- Representatives of Development Partners
- Kenya Private Sector Alliance–KEPSA, the representative of the private sector
- Representative of umbrella producer organizations (Kenya Federation of Agricultural Producers [KENFAP], Kenya Livestock Marketing Council [KLMC], Cooperative Alliance of Kenya)
- Representatives of the agribusiness community
- Representatives of civil society
- Chairman Parliamentary Committee on Agriculture

The committee may co-opt other members as the need arises. It will meet biannually under the chairmanship of the permanent secretary who at the time is the chair of the Inter-ministerial Coordinating Committee. The ASCU coordinator shall be the secretary to this Committee.

## Functions of the NSC

- To discuss progress in implementing reforms in the sector
- Serves 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 are the permanent secretaries of the following ministries

- Ministry of Agriculture
- Ministry of Livestock Development
- Ministry of Cooperative Development and Marketing
- Ministry of Fisheries Development
- Ministry of Water and Irrigation
- Ministry of Lands
- Ministry of Regional Development Authorities
- Ministry of Forestry and Wildlife
- Ministry of Environment and Mineral Resources
- Ministry of Northern Kenya and Other Arid Lands

The ICC may co-opt other permanent secretaries as need arises and also depending on the subject under consideration. The Committee is chaired by a permanent secretary appointed from among the members and shall be on rotational basis. The committee shall meet 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

### ***ICC business procedure***

- The Chairman shall invite members of the committee by official communication at least 7 days before the date of the meeting.
- All documents to be discussed shall be sent to the members upfront with a summary of the issues that need approval or consideration
- The Secretary (ASCU Coordinator) shall ensure that all members are appropriately briefed on the issues at hand.
- Ad hoc meetings may be held on short notice on the request of the chairman or any other member in which the urgent issue(s) will be discussed.
- Resolutions from the meetings of ICC shall be by consensus and shall be implementation by the sector ministries.

### ***The ASDS Technical Committee***

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

The members of the TC shall be:

- Agriculture Secretary
- Environment Secretary Commissioner of Cooperatives
- Directors in the Ministry of Agriculture
- Director of Livestock Production
- Director of Veterinary Services
- Director of Fisheries Development
- Director of Lands
- Director of Irrigation
- Director of Northern Kenya Development
- Director of Forestry
- Director, Programs, Projects and Strategic Initiatives, Ministry of Environment and Mineral Resources
- Heads of central planning units in the sector ministries
- Chief Executive, Kenya Federation of Agricultural Producers (KENFAP)
- Chief Executive, Kenya Livestock Marketing Council (KLMC)
- Chief Executive, Cooperative Alliance of Kenya
- Private sector representative – Kenya Private Sector Alliance
- Convener of Sector Working Group –Agriculture and Rural Development
- Development Partners representatives

The Technical Committee shall co-opt members as need arises and depending on the subject at hand. The chairman of the Technical Committee shall be drawn from among the directors of the sector ministries. This shall be 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.

### *TC business procedure*

- The Chairman shall invite the members of the committee by official communication at least 7 days before the date of the meeting.
- The agenda of the meeting shall be decided by the secretariat and communicated in advance to members.
- The secretariat shall ensure that all minutes of previous meetings are circulated immediately or at least before the next meeting.
- All documents to be discussed shall be sent to the members upfront with a summary of the issues that will be discussed for recommendation.
- ASCU desk officers in the ministries shall ensure that the directors are properly briefed before the meeting.
- Ad hoc meetings may be held on short notice upon the request of the chairman or any other member, to discuss urgent issue(s).
- Resolutions from the meetings that require approval from the Inter-ministerial Coordinating Committee shall be forwarded with minutes to the chair of the ICC within 7 days for an ICC meeting to be scheduled.

### **Agricultural Sector Coordination Unit (ASCU)**

ASCU is an inter-ministerial unit whose responsibility is to manage 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 subsectoral 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 subsectoral 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 than 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 organisations' capability in policy, productive and marketing functions; capacity building for policy development; and better harmonisation, 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 multisectoral 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 Convenor are experts in the thematic areas they head. The TWGs carry out in-depth analysis of strategic areas for policy direction and investment.

The six thematic working groups are:

- Legal and Regulatory
- Research and Extension
- Agricultural Inputs and Financial Services
- Food Security and Nutrition Policy
- Agribusiness, Value Addition and Marketing
- Environment, Sustainable Land and Natural Resource Management

### **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

#### ***TWG business procedure***

- Each year, TWGs develop their own work plans and present the same to the Technical Committee for approval.
- TWGs must meet once in every quarter, but may also have regular meetings as need arises.
- Ad hoc meetings may be held on short notice upon the request of the chairman or any other member, to discuss urgent issue(s).
- In consultation with the Secretariat, the Chairman shall invite members of the TWG by official communication at least 7 days before the date of the meeting.
- The agenda of the meeting shall be decided by the TWG.
- The Secretariat shall ensure that all minutes of previous meetings are circulated immediately or at least before the next meeting.
- All documents to be discussed shall be sent to the members upfront with a summary of the issues that will be discussed for recommendation.
- The TWG can form ad hoc committees to discuss pertinent issues within the thematic area and then report to the full TWG in subsequent meeting. The TWG shall report progress to the Technical Committee during every quarterly meeting.

#### **Decentralised Coordination Units**

District coordination units will be established to provide a forum for coordinating sector programmes aligned to the ASDS. This is 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 DCU will not take over the implementation aspect of the programme but shall provide the coordination between the different organizations and institutions in the sector for the benefit of more efficient resource use and synergy.

Members of the DCU shall be drawn from the departmental heads in the sector ministries. Other members to be co-opted (when the need arises)

- Research institutions
- Civil society
- NGO representative
- Other sectors

The team shall on a rotational basis elect a chairperson and secretary among the departmental heads. The Chairperson shall be the official contact person on ASDS programmes and will have the responsibility to bring all the other sector players together to work as a team to achieve the objectives of the ASDS. The members of the DCU shall meet on a monthly basis and will be supported by ASCU to run the coordination activities.

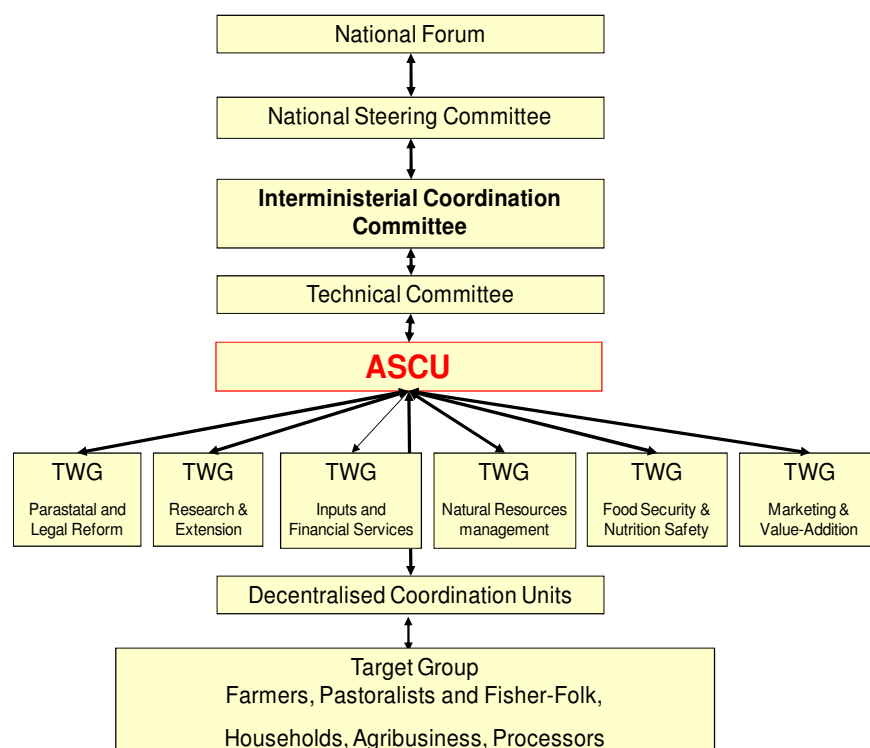
#### ***Functions of the DCU***

- Oversee the implementation of ASDS in the districts
- Prepare status reports for submission to ASCU
- Prepare project proposals, workplans 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 District Stakeholder Forum as the secretariat
- Carry out monitoring and evaluation of ASDS activities
- DCUs will create and equip centrally located information resource centers.

### *Operational procedures for DCUs*

- The devolved teams will meet and elect the chairperson and the secretary.
- The DCU will prepare detailed analysis of the programmes and projects it is implementing to ASCU.
- The DCU will hold a meeting every month to discuss progress of ASDS implementation.
- DCUs will coordinate implementation of the ASDS.
- DCUs will also operationalize the NASEP policy.
- DCU will profile NGOs and other service providers. DCUs shall guide all interested services providers to ensure equitable investment.
- DCUs shall prepare proposals, workplans and budgets and submit them to ASCU for inclusion in the national agricultural sector budget as part of the medium-term expenditure framework. ASCU will ensure this capacity to develop workplans and budgets for sector-wide implementation is built.
- DCU will operationalize the sector-wide M&E framework.



### Annex 3: SCHEDULE OF MEETINGS FOR THE AUC-NEPAD REVIEW

DATE	INSTITUTION	PERSON/S BE MET	TIME	VENUE
Wednesday, 8 <sup>th</sup> September 2010	Ministry of Agriculture	<b>Dr Wilson Songa</b> - Agriculture Secretary/ chairman ASDS Technical committee	8.30 am	His Office- <b>Kilimo House 3<sup>rd</sup> Floor</b>
	Research and Extension TWG	<b>Dr Fred Wangati</b> - Chairman TWG <b>Elizabeth Kimenyi</b> - for Convenor TWG <b>Dr. G Muriithi</b> -KARI (Member)	10.00 am	<b>ASCU Conference Room</b>
	TWG Agribusiness, Markets access and Value Addition	<b>Lucy Muchoki</b> - Member <b>Dr Katwalo</b> - Member <b>Beth Wagude</b> - member	11.30 am	<b>ASCU Conference Room</b>
	Legal and Regulatory reforms	<b>Prof Mbote</b> - Chair TWG <b>Anne Onyango</b> - Convener TWG	2.30 pm	<b>ASCU Conference Room</b>
	ASCU Consultants on MTIP	<b>Stanley Mbagathi</b> <b>Steven Were Omamo</b>	3.30	<b>ASCU Conference Room</b>
Thursday, 9 <sup>th</sup> September 2010	Private Sector Stakeholders	Various representatives of the Institutions in the private sector	9.00 am	<b>ASCU Conference Room</b>
	TWG on Access to Inputs and Finance	<b>Philip Makheti</b> - Member of TWG <b>Isaac Litali</b> - ASCU	11.00 am	<b>ASCU Conference Room</b>
	Ministry of Agriculture	<b>Dr Romano Kiome</b> - Permanent Secretary/ Chairman ASDS-ICC	12.00 noon	His Office- <b>Kilimo House, 7<sup>th</sup> Floor.</b>
	ASCU Secretariat	ASCU Staff and Consultants	2.00 pm	ASCU
	Ministry of Finance	<b>Mr. Jackson N. Kinyanjui</b> Director, External Resources Department	4.00 p.m	His Office- <b>The Treasury, 11<sup>th</sup> Floor Room 1109.</b>
Friday, 10 <sup>th</sup> September	Agricultural Donor Working Group	Peter Stuession (EU-Chair of the Donor Working Group) & others who may be available	10.00 a.m	<b>ASCU Conference Room</b>
Wednesday 15 <sup>th</sup> September	De-briefing of the Inter- ministerial Coordination Committee (ICC)	Permanent Secretaries of the ten Agricultural Sector Ministries	9.00 a.m	<b>Boardroom, Kilimo House 7<sup>th</sup> Floor</b>
	"Wrap-Up" with ASCU	ASCU Staff and Consultants	2.00 pm	<b>ASCU Conference Room</b>

#### Annex 4: Actions for the Kenya MTIP Pre-implementation Road Map

Issues	Specific Actions	Who is responsible	Due date
Government and donors need clarity as to the level of resources that will be available to implement the MTIP	Establish the date by which donor and government financial commitments should be communicated	MoF ASCU Donor Partners	
Prioritization process needs to be continued; causal linkages to ASDS goals and targets need to be deepened	Complete prioritization of commodity value chains in High Rainfall, Arid, and Semi-Arid ecological zones.	IFPRI ASCU RESAKSS	
MTIP revision to inform alignment process	Value-chain analysis elaborated, editorial and structural edits completed.	ASCU, IFPRI RESAKSS	Oct. 16
Clarify internal consistency: Will the Financing Plan as envisioned achieve and sustain 7% growth? Will the GoK resource requirements reflected in the MTIP actually be allocated to the MTIP?	Reflecting on the outcomes of the consistency analysis, re examine MTIP funding requirements and revise if necessary. Clarify the actual level of GoK funding that will be available to fund MTIP, and reassess the funding gap.	ASCU IFPRI RESAKSS MOF	
Costing and activity targets clarified	Report prepared on costing to summarize and compare activity unit costs, and establish activity result targets	ASCU	
Ongoing and planned programs need to align to the ASDS and MTIP	Establish MTIP results framework, develop review criteria, process, and guidance for program modification. Complete review and adjustment of programs.	ASCU Development Partners	
Need coherent M&E system to support the MTIP sector-wide approach	Expedite work to design an M&E framework that links to the National Integrated Monitoring and Evaluation System	ASCU	
Absorptive capacity in some sub-sectors appears to be constrained	Building on development partner follow-up to a recent (Feb. 2010) PER, identify constraints to efficient financial management and examine actions of Ministries where higher rates of absorption are being achieved to provide lessons to others.	ASCU Donor Partners	
Need for a coherent plan to develop a wide range of capacities across the	Complete ongoing functional review, identify other recent capacity assessments, prioritize needs, and establish a medium-term	ASCU	



sector	capacity-development plan.		
Private Sector participation in and contribution to is limited.	For priority MTIP investments, clarify the public and private goods necessary to fully develop systems and achieve the ASDS targets. Develop private sector investment strategy that is directly linked to, and supportive of, the public sector investment plan.	ASCU, Private Sector Alliance (TBD), CAADP Pillar 2 Institution	
Gender considerations need to be integrated across the sector	Continue progress made in gender sensitization in Agriculture, increase the use of gender indicators in the new M&E framework, and accelerate progress in the development of a gender policy framework for the Ag sector.	ASCU	
Need for increased stakeholder consultation on the MTIP and sensitization on the ASDS	Develop a communications plan to ensure regular consultations with direct stakeholders, and to identify opportunities to increase support for the MTIP within government, Parliament, and with other stakeholders.	ASCU	