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Enabling poor rural people  
to overcome poverty

## Republic of Kenya

### Country strategic opportunities programme

#### Note to Executive Board representatives

Focal points:

Technical questions:

Dispatch of documentation:

**Nadine Gbossa**  
Country Director  
Tel.: +254 20 762 1028  
e-mail: n.gbossa@ifad.org

**Deirdre McGrenra**  
Head, Governing Bodies Office  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

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For: **Review**

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## Abbreviations and acronyms

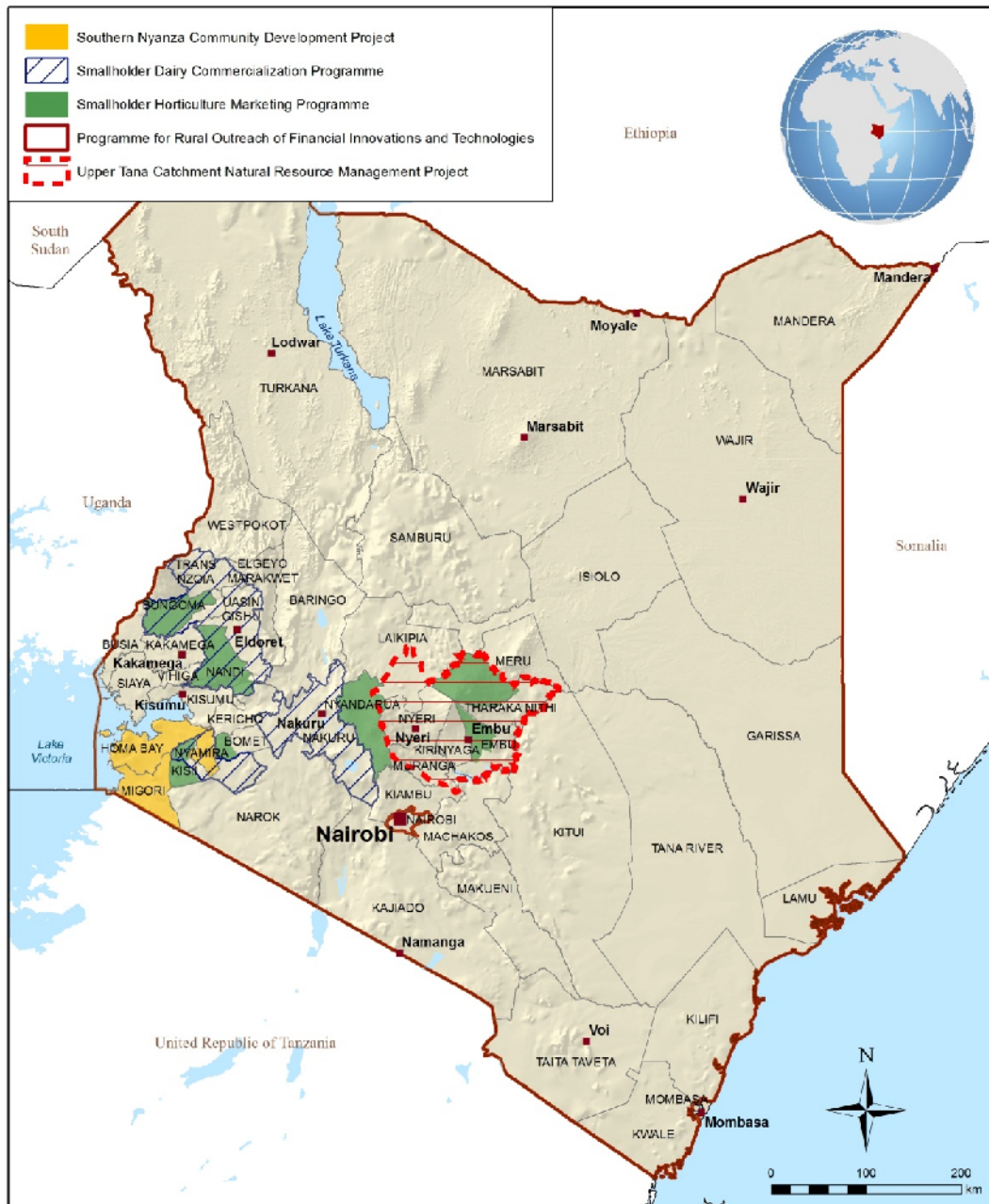
ALFA	Agriculture, Livestock, Fisheries and Food Authority
ASAL	arid and semi-arid land
ASAP	Adaptation for Smallholder Agriculture Programme
ASCU	Agricultural Sector Coordination Unit
ASDS	Agricultural Sector Development Strategy
CAADP	Comprehensive Africa Agriculture Development Programme
CKDAP	Central Kenya Dry Area Smallholder and Community Services Development Project
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPMT	Country Programme Management Team
KJAS	Kenya Joint Assistance Strategy
KM	knowledge management
M&E	monitoring and evaluation
MDG	Millennium Development Goal
MHP	medium-to-high potential
MKEPP	Mount Kenya East Pilot Project for Natural Resource Management
NRM	natural resource management
PBAS	performance-based allocation system
PROFIT	Programme for Rural Outreach of Financial Innovations and Technologies
SDCP	Smallholder Dairy Commercialization Programme
SNCDP	Southern Nyanza Community Development Project
USAID	United States Agency for International Development
UTaNRMP	Upper Tana Catchment Natural Resource Management Project

# Map of the programme area

## Kenya

IFAD-funded ongoing operations

COSOP



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
 Map compiled by IFAD | 04-03-2013

## Summary of country strategy

1. This third country strategic opportunities programme (COSOP) 2013-2018 for Kenya is aligned with the country's long-term development blueprint, the Kenya Vision 2030, and the Agricultural Sector Development Strategy 2010-2020. The COSOP, which has been developed with a predisposition towards scaling up, builds on IFAD's comparative advantage and lessons learned during implementation of the previous COSOP.
2. This country strategy is more focused, emphasizing intensification, value addition, market access and sustainable natural resource management in the agricultural sector. The core target group remains vulnerable smallholder farmers and agropastoralists, including young people and woman-headed households. The COSOP has three strategic objectives in line with the Medium-Term Investment Plan: 2010-2015 towards the *Vision*:
  - **Strategic objective 1: Gender-responsive, climate-resilient and sustainable community-based natural resource management is improved.** This objective will contribute to maintaining ecological integrity, natural capital and biodiversity, while improving degraded lands through sound soil and water conservation techniques, with a view to mitigating and adapting to climate change and variability.
  - **Strategic objective 2: Intensification: Access of vulnerable rural women, men and youth in target areas to productivity-enhancing assets, technologies and services is improved.** Achievement of this objective will: sustainably improve smallholder agricultural and livestock production, including small-scale irrigation; enhance the performance of service providers; and improve productive infrastructure.
  - **Strategic objective 3: Value addition and marketing: Sustainable access of vulnerable rural women, men and young farmers, agropastoralists and entrepreneurs to improved post-production technologies and markets is enhanced.** This objective aims to promote market-oriented production and increased access to markets by smallholders, as well as sustainable investments in market information systems and market and road infrastructure for marketing groups and related enterprises.
3. These objectives will be pursued through both ongoing operations in Kenya and new programmes implemented during the COSOP period. IFAD will invest some US\$110 million over the five years of the COSOP. This will comprise performance-based allocation system allocations for 2013-2015 and 2016-2018 of an estimated US\$100 million and an Adaptation for Smallholder Agriculture Programme grant of US\$10 million. The COSOP has been formulated with a predisposition towards scaling up that will enable the Kenya programme to contribute effectively to bringing targeted rural dwellers out of poverty.

# Republic of Kenya

## Country strategic opportunities programme

### I. Introduction

1. This new country strategic opportunities programme (COSOP) 2013-2018 will be implemented within the framework of the Kenya Joint Assistance Strategy (KJAS). It builds on IFAD's experience and comparative advantage in Kenya. The preparation process was highly participatory, involving stakeholder and high-level consultations in: the National Treasury and the 10 agriculture-sector ministries; United Nations agencies, such as the Food and Agriculture Organization of the United Nations, World Food Programme, United Nations Development Programme and United Nations Human Settlements Programme: UN-Habitat; the United States Agency for International Development (USAID); and NGOs, farmers' umbrella organizations and the private sector – under the guidance of the Country Programme Management Team (CPMT). The process included reflections on the implementation of previous COSOPs and a country programme evaluation (CPE). These led to the definition of priority areas for IFAD intervention in the context of the development priorities of the Government of Kenya, which are highlighted in: the Kenya Vision 2030, the Agricultural Sector Development Strategy (ASDS) 2010-2020 and the Comprehensive Africa Agriculture Development Programme (CAADP), as well as the IFAD Strategic Framework 2011-2015.

### II. Country context

#### A. Economic, agricultural and rural poverty context

##### Country economic background

2. Kenya has a land area of 569,140 km<sup>2</sup> and an estimated population of 41.6 million people (2011),<sup>1</sup> 70 per cent of whom live in the medium-to-high potential (MHP) areas in the centre and west of the country. The remaining 30 per cent live in arid and semi-arid lands (ASALs), which constitute 84 per cent of the land mass and host 70 per cent of the national livestock herds, which meet a substantial part of the population's dietary need for meat. The gross national income per capita was estimated at US\$810 in 2010. The Kenyan economy is highly vulnerable to internal and external shocks. In 2008, the economy suffered from the global financial crisis, significant post-election civil disruptions and drought. The annual growth rate of the economy before 2008 of 6-7 per cent was cut back by 2.5 per cent by the drought of 2008-2011.<sup>2</sup> The GDP growth rate fell to 4.4 per cent in 2011 from 5.8 per cent the previous year, while the World Bank projected growth rates of 5 per cent for 2012 and 5.5 per cent for 2013. Services and agriculture represent about 49 and 25 per cent of GDP respectively. Following the first peaceful election in March 2013 since the introduction of the multiparty system in the 1990s, the United Nations assesses that the scene is set for growth and development towards the ambitious Kenya Vision 2030.
3. Climate change is one of the major challenges to the Kenyan economy. An initial estimate in 2012 of the immediate amounts needed to address the current and future challenges of climate change was US\$500 million per year. Other challenges to economic development include: delays in privatization, high lending rates, corruption and waste, insecurity, poor infrastructure and high unemployment. Kenya's Transparency International Corruption Perceptions Index improved from 2.2 in 2011 to 2.7 in 2012, partly due to the more robust checks and balances for

<sup>1</sup> World Bank, *World Development Indicators 2012* (Washington, D.C., 2012).

<sup>2</sup> Republic of Kenya, Kenya Post-Disaster Needs Assessment (PDNA) for the 2008-2011 Drought (Nairobi, 2012).

improved fiscal accountability introduced by the new constitution, including the requirement of public vetting of all key public appointees to limit the access of corrupt officials to public office.

#### **Agriculture and rural poverty**

4. The agricultural sector accounts for 65 per cent of Kenya's exports and employs 80 per cent of the workforce. Industrial crops contribute 17 per cent of agricultural GDP and 55 per cent of agricultural exports, while food crops contribute 32 per cent of agricultural GDP, but only 0.5 per cent of exports. The Kenya Vision 2030 identifies agriculture as one of the six key economic sectors expected to drive the economy to a projected 10 per cent economic growth annually over the next two decades. Kenya's agriculture is predominantly rainfed. Irrigation accounts for only 1.7 per cent of total agricultural land, but 18 per cent of the value of agricultural produce, demonstrating its potential to increase productivity. Other challenges facing the sector include: (i) inadequate budgetary allocations; (ii) climate change more severely affecting ASALs, which have some of the highest levels of poverty incidence; and (iii) population pressure leading to land degradation, with population density reaching 300 people per square kilometre in the environs and watershed of Mount Kenya, which is a source of water for more than 50 per cent of the Kenyan population. The livestock subsector employs about 10 million people and contributes 17 per cent of agricultural GDP. In ASALs, livestock accounts for 90 per cent of employment and 95 per cent of household income. ASALs have great development potential, but droughts, conflict, weak institutions and infrastructure, and the recent discovery of oil deposits in Turkana County pose challenges to the sustainability of agricultural livelihoods.
5. The agriculture sector declined by 4.3 and 2.5 per cent, respectively, in 2008 and 2009, but grew by 6.4 per cent in 2010, although by only 1.5 per cent in 2011 (affected by drought in most parts of the country and floods in others) – very much in tandem with the growth performance of the economy. About 45.9 per cent of Kenyans lived in poverty in 2005, the incidence being higher (49.1 per cent) in rural areas, which host 83 per cent of poor people. The poverty line in 2005/2006 was 1,562 Kenya shillings (KES) per month per adult equivalent for rural areas, while the food poverty line was KES 988. The Long Rains Assessment Report 2011 by the Kenya Food Security Steering Group (KFSSG) indicated that approximately 12 per cent of the rural population was food insecure, most of it being communities living in ASALs, which have been impacted severely by the recent droughts.

## **B. Policy, strategy and institutional context**

### **National institutional context**

6. Following a reduction in government extension staff, the private sector is becoming more involved in service provision. However, private-sector service capacity in value chain analysis and business development is still weak. Other important non-state actors in the agriculture sector include farmers' and community-based organizations. Three new laws signed in January 2013 are expected to streamline Kenya's policy and institutional environment. The Land Act (2012) mandates the National Land Commission to recommend policies on land, acquire land for public purposes, regulate the use of any land in the public interest, and allocate land for investment purposes. The commission is expected to reorient the use of land as a productive asset, rather than a prestige title. This could increase access to land through renting for productive purposes. Thus access to land could become a bigger challenge for many smallholder farmers with the gradual incursion of international biofuel production companies into the rural landscape of Kenya. The Agriculture, Livestock, Fisheries and Food Authority (ALFA) Act (2012) established an authority to oversee the operations of the agriculture sector, including licensing, law enforcement and registration of farmers. ALFA is mandated to: administer the Crops, Livestock and Fisheries Acts; promote and regulate the production,

processing, marketing and transportation of agricultural products; advise the Government on agricultural policy; and build the capacity of county governments in relation to agriculture. Under the Crops Act (2012), ALFA will: formulate policies for the development of scheduled crops; facilitate marketing and distribution of crops; conduct farmer training; and establish and enforce standards. The role of county governments will include development of crops, plant disease control, soil and water conservation, markets and cooperative societies.

#### **National rural poverty reduction strategy**

7. The rural poverty reduction strategy for Kenya is captured mainly in: the Kenya Vision 2030; National Policy for the Sustainable Development of Arid and Semi Arid Lands (Kenya) (2007); Plan of Action (2008-2012) to Implement the National Policy on Gender and Development (2008); Kenya's third National AIDS Strategic Plan 2010-2013 (2009); the CAADP Compact (2010); and ASDS. The *Vision* is hinged on three pillars: economic, to maintain sustained growth of over 10 per cent per annum over the 25-year period 2005-2030; social, to achieve equitable social development in a clean and secure environment; and political, to develop an accountable, democratic political system. Under the economic pillar, the vision is to transform agriculture into a commercially oriented, modern sector by reforming institutions, increasing productivity, transforming land, developing ASALs and increasing market access. Accordingly, the priorities of ASDS include transforming key institutions to promote agricultural growth; increasing productivity; introducing land-use policies; developing more irrigable areas in ASALs; improving market access by smallholders; and adding value to agricultural products for various markets. The CAADP Compact has five strategic objectives, similar to the ASDS priorities: increasing productivity and promoting commercialization and competitiveness; increasing market access; furthering sustainable natural resource management (NRM); reforming institutions; and promoting private-sector participation in agricultural development. The priorities identified for the agriculture sector during 2006-2015 by the National Policy for the Sustainable Development of ASALs include increased area under small-scale irrigation, improved extension services and produce marketing, and access to credit by farmers' associations. The Plan of Action to Implement the National Policy on Gender and Development aims to remove impediments to equal access to economic and employment opportunities for men and women, and promote sustainable livelihoods and environmental sustainability. The constitution requires that not more than two thirds of elective public positions may be occupied by one gender. The Kenya National AIDS Strategic Plan aims to reduce the number of new infections by at least 50 per cent – and AIDS-related mortality by 25 per cent.

#### **Harmonization and alignment**

8. Development partners in Kenya harmonize their activities through the KJAS. Through the 17 sector working groups, partners coordinate and share analysis, reviews and fiduciary assessments. Coordination of agriculture-sector activities takes place mainly through the Agriculture Sector Coordination Unit (ASCU), while coordination of climate change response is through the National Climate Change Steering Committee, with secretarial support being provided by the Climate Change Secretariat under the Ministry of Environment, Water and Natural Resources. The United Nations agencies coordinate their activities under the United Nations Development Assistance Framework.

### **III. Lessons from IFAD's experience in the country**

#### **A. Past results, impact and performance**

9. The following projects were implemented during the second COSOP period: Central Kenya Dry Area Smallholder and Community Services Development Project (CKDAP), Mount Kenya East Pilot Project for Natural Resource Management (MKEPP), Southern Nyanza Community Development Project (SNCDP), Smallholder



Horticulture Marketing Programme (SHoMaP), Smallholder Dairy Commercialization Programme (SDCP), Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) and Upper Tana Catchment Natural Resource Management Project (UTaNRMP), the last two being new projects financed under the second COSOP. Useful results have been recorded by these projects in NRM and environmental conservation, community development and income generation. With support from MKEPP, 15 water resource users' associations are implementing subcatchment management plans, and the Ministry of Education, Science and Technology has now adopted the project-initiated school greening programme nationwide. Through CKDAP, about 86 per cent of households gained access to domestic water within five kilometres, and farmers are obtaining 3 litres of milk per day from crossbred goats, compared with 0.5 litres from local breeds. Through SDCP, over 400 dairy groups were trained in proposal writing and have accessed US\$0.95 million in credit from financial institutions. Through investment, milk production has increased from 4 to 10 litres/cow/day. Through SNCDP, 11.6 per cent of households have reported improved asset ownership, compared with a target of 20 per cent, while 11 per cent of the target population now has access to an improved source of water. IFAD-assisted grant projects have also provided useful research and demonstration results in soil and water conservation technologies (Green Water Credits), utilization of cow waste for biogas production (Heifer International Kenya), adaptation of crop and livestock species to ASALs (Africa Harvest), and improved access of poor rural women to financial services (Kenya Women Finance Trust).

10. Supervision of IFAD projects in 2012 indicated an improvement in financial management, especially in timely flow of funds, receipt of counterpart funds, compliance with IFAD disbursement and reporting procedures, fewer audit anomalies, and improvement in internal controls. Challenges remained, related to slow absorption of funds due to project-related constraints, weakness in the management of fixed assets, and delays in procurement processes that often led to underachievement against budgets.

## **B. Lessons learned**

11. Major lessons from the previous COSOP, as summarized by the CPE, have informed the design of this COSOP:
  - Modest investments in NRM and climate adaptation, well integrated into project activities, have a significant positive impact on project outcomes as demonstrated by the MKEPP experience. The new projects will fully integrate NRM and climate change adaptation for effective poverty reduction.
  - IFAD's contribution to improving rural incomes and livelihoods was constrained by: the highly varied nature of activities; insufficient attention to policy dialogue and partnerships; and an exclusive focus on MHP areas and non-exploitation of the economic potential of ASALs. This COSOP focuses on two priority themes.
  - Sustainable NRM and intensification of agricultural production with linkages to markets. The first new project will target ASALs, linking with other interventions in the area, including the Joint Initiative on Disaster Risk Reduction and Resilience-Building for Food Security in ASALs by the Rome-based agencies. The projects under the COSOP have built-in provisions for stronger partnerships, as is already happening with a European Union project under design. The IFAD country office (ICO) capacity for involvement in policy dialogue will be built up.
  - The Government and other partners value IFAD's participatory and bottom-up approaches, its focus on rural small farmers, emphasis on community-driven development and grass-roots institution-building.

- Longer-term engagement with scaling up must be planned strategically. This COSOP has been formulated with a predisposition towards scaling up. Its results management framework is based on the lessons learned, and strategic objectives are defined to include outcomes from both ongoing and new projects.
- There is room for improvement in government performance in a number of areas, including the low budgetary allocation to agriculture, weak project implementation capacity at the district level, and the fragmentation of institutional architecture. This COSOP will address potential capacity constraints at the county level through capacity-building for public-sector staff, as well as capacity development and increased use of NGOs and private-sector and community-based service providers. The new laws enacted for the sector will streamline the institutions.
- Weak linkages between grants and investment operations. Under this COSOP, the development and management of grant projects will be supervised in parallel with loan projects.
- Government and project staff members are highly appreciative of the permanent physical presence of the country programme manager in Nairobi for timelier project supervision and implementation support.

#### **IV. IFAD country strategic framework**

##### **A. IFAD's comparative advantage at the country level**

12. From experience, IFAD's comparative advantage in contributing to rural poverty reduction in Kenya consists in: (i) supporting agricultural value chains and sustainable multiple-benefit approaches to agricultural intensification; (ii) practising participatory community development; (iii) strengthening the resilience of ecosystems and livelihoods; (iv) building grass-roots institutions; and (v) promoting gender equality and the empowerment of rural women. In this COSOP, IFAD will draw on the comparative advantage of PROFIT to guarantee consistency across the country programme in increased access to financial services.

##### **B. Strategic objectives**

13. **Strategic objective 1: Gender-responsive, climate-resilient and sustainable community-based natural resource management is improved.** This objective reflects the ASDS, CAADP and ASAL policy priorities of sustainable NRM, and the National Climate Change Response Strategy (2010), as well as IFAD's strategic objective of a natural resource and economic asset base for poor rural people that is more resilient to climate change, environmental degradation and market transformation. This objective gives IFAD the opportunity to intervene in ASALs. The proposed interventions include support for the preparation of community-based NRM plans, pastoral field schools, animal health systems, community-based, water-efficient systems, watershed management, protection of natural wetlands, mitigation of human wildlife conflict, and diversification of household livelihoods. The anticipated results include: participatory conservation and sustainable land use, and range and water resource management. The Adaptation for Smallholder Agriculture Programme (ASAP) will support the establishment of a vulnerability baseline link with climate-change-related results from projects, and multibenefit actions to strengthen livelihoods and reduce vulnerability. A key outcome indicator will be the number of smallholder household members whose climate resilience has been increased because of ASAP.
14. **Strategic objective 2: Intensification: Access of vulnerable rural women, men and youth in target areas to productivity-enhancing assets, technologies and services is improved.** This objective reflects the ASDS, CAADP and ASAL policy thrusts of increased productivity, commercialization and

competitiveness of agricultural commodities and enterprises, and IFAD's strategic objective of access of poor rural people to services, improved nutrition, higher incomes and increased resilience to a changing environment. The key elements of the objective include: access to advisory services and training in climate-resilient crop and livestock production practices; animal health services; smallholder irrigation facilities; and improved land management practices.

15. **Strategic objective 3: Value addition and marketing: Sustainable access of vulnerable rural women, men and young farmers, agropastoralists and entrepreneurs to improved post-production technologies and markets is enhanced.** This objective reflects the ASDS, ASAL policy and CAADP priorities of increased market access, and IFAD's strategic objective of enabling poor rural people and their organizations to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities. IFAD will support interventions in production efficiency, improved post-production technologies, business and entrepreneurship skills training, access to produce markets and market information, sustainable investments in physical infrastructure (e.g. storage and processing), eco-efficiency in water and energy use and waste management, and linkages to rural financial services. IFAD support will continue to target small community roads that connect smallholders to feeder and main roads.

### C. Opportunities for innovation

16. The COSOP envisages several opportunities for scaling up of innovations and pilots by the Government, IFAD, donor agencies, the private sector and South-South cooperation. Under *strategic objective 1*, innovations will cover the content of training in sustainable NRM and rainwater harvesting, formulation of community-based plans aimed at improving NRM and rural livelihoods, integration of climate change adaptation for enhanced resilience of ecosystems with livelihoods, mechanisms of payment for ecosystem services, low-carbon technologies for value chain development and employment creation, improved access to land for cultivation in the forest reserve buffer zone, and use of mapping and the Geographic Information System (GIS) as NRM tools. Under *strategic objective 2*, attention will be paid to holistic extension systems to ensure that the introduced technologies for intensification take into account climate change, mechanisms for reaching women and youth, efficient and sustainable technologies, and reduction of vulnerability to risks and shocks. Under *strategic objective 3*, innovative ways must be found to strengthen pastoral groups, reinforce marketing structures in strategic sites, access credit, and foster public/private partnerships along the agricultural value chain. This COSOP will participate in corporate initiatives to estimate the number of people who will be brought out of poverty through IFAD interventions in Kenya. The design of new projects under the COSOP will specify indicators on outreach and expected impact on poverty levels. For ongoing projects, impact assessments will be conducted to measure poverty reduction using the national poverty line.

### D. Targeting strategy

17. Strategic objectives 1 and 2 will focus more on ASAL and MHP agroecological areas, respectively, while strategic objective 3 will be pursued in both areas. Poverty data at location level will be used to select focal development areas with large numbers of vulnerable people. Targeting will also consider the potential for scaling up. The core target group will consist of poor households depending on agriculture for their livelihoods and capable of generating a marketable surplus. The targeting strategy will focus on women, youth, agropastoralists and pastoralists who can benefit from an increase in their technical knowledge and organizational capacities to enhance their incomes.

## **E. Policy linkages**

18. With the focus on commercialization of smallholder agriculture, IFAD will provide capacity-building support to key private-sector actors and umbrella farmer organizations to increase their participation in policy dialogue. IFAD's expectations for policy dialogue outcomes will also focus on a strengthened knowledge base in climate resilient livelihoods and ecosystems, as well as community-based environments and NRM. Based on the experience in Kenya, IFAD will pursue the following approaches to policy dialogue: (i) participation in relevant sector working groups, identifying key policy issues and pursuing these with the Government, including improving private-sector participation in project implementation; (ii) strengthening the capacity of government agencies to formulate national policies; (iii) supporting organizations of rural people to enable them to participate in policy dialogue; (iv) operationalizing national policies at county and project levels, such as the new ALFA Act; (v) creating opportunities for regional or South-South sharing of policy experience and approaches; and (vi) agreeing on policy reforms prior to project implementation.

## **V. Programme management**

### **A. COSOP monitoring**

19. Under the guidance of the IFAD country director, the CPMT will monitor implementation of the COSOP through: (i) the COSOP results management framework; (ii) annual portfolio reviews; (iii) half-yearly and annual project progress reports; (iv) supervision and implementation support missions; and (v) the annual Results and Impact Management System (RIMS) report. Periodic portfolio implementation reviews and surveys will be conducted to assess the physical and financial progress and results of each project. The indicators in the M&E system of IFAD projects will be linked to those in the COSOP results management framework and the National Integrated Monitoring and Evaluation System (NIMES), which monitors results for the Kenya Vision 2030.

### **B. Country programme management**

20. Under the umbrella of the CPMT, the country director will manage the COSOP. The ICO will: (i) ensure regular communication between IFAD and relevant partners, in collaboration with the IFAD desk officer in the National Treasury; (ii) ensure synergies across loan and grant operations and non-lending activities; (iii) coordinate project supervision and implementation support for loan and grant projects; (iv) participate in policy dialogue forums; (v) undertake knowledge management (KM) activities to facilitate sharing of lessons learned in IFAD-supported activities, partly as an input to policy dialogue; and (vi) search for new ideas, opportunities and partnerships, to be shared within the CPMT. With the lessons learned and the decentralized governance system under the new constitution, it is proposed that projects be coordinated by a lean coordination team steered by a suitable lead ministry and supported by relevant public- and private-sector service providers, who will sign annual performance contracts with the project coordination team on the basis of which project funds will be advanced for agreed activities.

### **C. Partnerships**

21. IFAD will continue to strengthen partnerships with government agencies, development partners, farmers' organizations, the private sector and research bodies in its effort to make the necessary knowledge and resources available to enable poor rural people to overcome poverty. Most of these strategic partners have already been incorporated into the CPMT. Non-state actors will be contracted by the projects for selected services. IFAD will strengthen existing partnerships with institutions such as the World Agroforestry Centre, the International Livestock Research Institute, the International Soil Reference and Information Centre, and

the RAIN Foundation for support in the development of sustainable NRM and climate-resilient development approaches. Community-based organizations will increase their engagement in support to more inclusive targeting, linking farmers to markets and services, and managing rural infrastructure at the community level. Partnerships will be pursued with research institutes and universities for the possible use of graduate students and staff in relevant research, baseline surveys, trend analysis and impact assessment.

#### D. Knowledge management and communication

22. IFAD will support ASCU and the External Resources Department of the National Treasury, which maintains a central electronic database of projects, to facilitate the exchange of information on the IFAD programme with other donors and stakeholders. The ICO will continue to work with the six IFAD Kenya thematic groups (agriculture/livestock, water/irrigation, environment, community development/rural finance, financial management/procurement and M&E/KM) to analyse implementation progress and proffer solutions to project challenges. And it will use joint supervision missions, the CPMT and the IFAD website to share knowledge. A focus under this COSOP will be to use past lessons more systematically to inform project design and implementation, policy dialogue and partnership activities. Accordingly, the COSOP will stipulate better resourcing of the M&E/KM function in projects, in order to analyse and document implementation lessons, improve interproject exchange and provide input to policy dialogue.

#### E. PBAS financing framework

23. This COSOP will cover two performance-based allocation system (PBAS) cycles: 2013-2015 and 2016-2018. Based on current PBAS scores and criteria, the IFAD funding available for the COSOP is about US\$110 million, with US\$56.7 million projected for 2013-2015. Scores for the indicators used to determine the country allocation for the first year of the COSOP period are shown in table 1.

Table 1  
PBAS calculation for COSOP year 1

<i>Indicators</i>	<i>COSOP year 1</i>
Project-at-risk (PAR) rating	5.00
Rural-sector performance	3.80
IDA reallocation index (IRAI) score (2010)	3.80
GNI per capita (US\$) (2010)	810
Total population (millions) (2011)	40.5

Table 2  
Relationship between performance indicators and country score

<i>Financing scenario</i>	<i>PAR rating (+/- 1)</i>	<i>Rural sector performance score (+/- 0.3)</i>	<i>Percentage change in PBAS country score from base scenario</i>
Hypothetical low case	2	3.99	-24 %
Base case (2006/2007)	3	4.29	0 %
Hypothetical high case	4	4.59	28 %

#### F. Risks and risk management

24. The following major risks foreseen for the COSOP period will be mitigated as follows: (i) social destabilization arising from the elections in March 2013 – this will be taken into account in the design of new projects through the distribution of geographical areas of intervention and inclusion of beneficiaries with different socio-political affiliations; (ii) transitional destabilization from a change of political actors

at the national level and hence a change of focus of demand for IFAD support to Kenya, and decentralization to counties with changes in administrative, financial and procurement management guidelines and responsibilities – the COSOP will be shared with the new central administration after the elections and agreement of strategic objectives reconfirmed or negotiated; project design will take the decentralization requirements and opportunities into account; and (iii) increased fiduciary risk associated with new processes and structures under the counties that have a degree of autonomy from the central government – the new constitution contains a more robust system of checks and balances and institutions to assure improved governance and fiscal accountability. The Public Expenditure and Financial Accountability (PEFA) report published in 2012 identified opportunities for strengthening high-level process controls, while IFAD’s adoption of a risk-based disbursement approach is leading to a structured financial management assessment of projects at the design and implementation stages; (iv) unfavourable policy environment for IFAD interventions, related to input subsidies, marketing of agricultural products, and pace of privatization in the sector, etc. – there will be focused policy dialogue in partnership with others; capacity-building and information-sharing support for policy formulation at the national level and for increased participation in policy dialogue at the local level; and cost provision in each new project for policy issues; and (v) economic and social conflicts and environmental hazards associated with oil exploitation that pose a risk for the development of ASALs with the recent discovery of oil deposits in parts of northern Kenya – IFAD will monitor developments in the oil industry, maintain dialogue with the relevant authorities, and factor any issues into the design of the new projects.

## **COSOP consultation process**

**A. Establishment of an extended Country Programme Management Team (CPMT)** to include key stakeholders/resource group like Development Partners (DPs) and the private sector given by the CPMT during the annual COSOP review at Embu, 7-9 March 2012.

**B. Desk review.** Review of relevant documents containing secondary data relating to: (i) overall country context including, economic, agriculture and poverty situation in Kenya (ii) Government's priorities and strategy for poverty reduction, (iii) the activities of the ongoing IFAD-supported projects in the country, (iv) the activities of other development partners, and regional initiatives like those related to climate change and the Horn of Africa. Principal among these documents are the following:

### Initial concept proposals submitted for COSOP 2013-2018

- Project Proposal for Improving Youth Productivity in Modern Agriculture (Y-MAP), Ministry of Agriculture, 2012;
- Concept Paper for the Proposed Development of Irrigation in Western and Rift Valley Regions, Ministry of Water and Irrigation, Republic of Kenya, January 2012;
- Concept Paper for Phase 2 of the Smallholder Dairy Commercialization Programme, Ministry of Livestock Development, March 2012.
- Concept papers for support to SDCP and SNCDP, Heifer International Kenya, May 2012.

### IFAD documents

- Project Development Reports for Mount Kenya East Pilot Project for Natural Resources Management (MKEPP), December 2002; Southern Nyanza Community Development Project (SNCDP), December 2003; Smallholder Dairy Commercialization Programme (SDCP), December 2005; Smallholder Horticulture Marketing Programme (SHoMaP), April 2007; Proposed Supplementary Loan to the Republic of Kenya for the Southern Nyanza Community Development Project, December 2008; Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT), September 2010; Upper Tana Catchment Natural Resource Management Project (UTaNRMP), April 2012;
- Republic of Kenya, Country strategic opportunities programme, September 2007;
- Targeting Policy, Reaching the Rural Poor, November 2006;
- IFAD Policy on Gender Equality and Women's Empowerment, April 2012;
- Climate Change Strategy, IFAD, May 2010;
- Environment and Natural Resource Management Policy, IFAD, 2011;
- IFAD Strategic Framework 2007-2010, November 2006; and 2011-2015, May 2011;
- Impact Assessment, CKDAP, May 2008; MKEPP, May 2009; SNCDP, July 2011;
- Mid-Term Review, SNCDP, May 2009; MKEPP, June 2009; SDCP, January 2011;
- The 2012 Annual Report on Results and Impact of IFAD Operations (ARRI): Policy Dialogue. Issues Paper: Independent Office of Evaluation. IFAD, 2012;
- Annual Review of Portfolio Performance, 2010-2011, Programme Management Department, IFAD, December 2011;
- Medium-Term Plan for IFAD9 (2013-2015), Programme Management Department, Second Draft, May 2012;
- Community of Practice and Learning Alliance for Scaling Up in Agriculture and Rural Development, Draft Concept Note, July 2012.

### Economy

- Kenya: Poverty Reduction Strategy Paper, IMF, July 2010: First Medium Term Plan (2008-2012), Kenya Vision 2030, Office of The Prime Minister, Ministry of State for Planning, National Development and Vision 2030, GOK, 2008;
- Kenya National Human Development Report 2009, Youth and Human Development: Tapping the Untapped Resource, UNDP, June 2010;
- Economic Survey 2011, Presented by Hon. Wycliffe Ambetsa Oparanya, EGH, MP. Minister of State for Planning, National Development and Vision 2030, May 2011;
- Leading Economic Indicators, KNBS, February 2012;

- Public Expenditure Review, Policy for Prosperity 2010-2012, Key Highlights from the Agriculture Sector, GOK, 2012;
- World Bank Development Indicators, WB Website.

#### Poverty

- Kenya Integrated Household Budget Survey (KIHBS) 2005/06 (Revised Edition), Basic Report, KNBS;
- Components of the Income Aggregate: "Kenya Integrated Household Budget Survey (2004/05)", Prepared for the Rural Income Generating Activities (RIGA) Project1 of the Agricultural Development Economics Division, Food and Agriculture Organization, January, 2010;
- Agricultural Growth and Poverty Reduction in Kenya: Technical Analysis for the Agricultural Sector Development Strategy (ASDS) – Medium Term Investment Plan (MTIP). ASCU, GOK, April 2012;
- UNDP International Human Development Indicators, website;

#### Agricultural policy

- National Policy for the Sustainable Development of Arid and Semi-Arid Lands of Kenya, Office of the President Special Programmes, April 2007;
- Kenya Joint Assistance Strategy 2007-2012;
- Country Policy and Institutional Assessment (CPIA) for sub-Saharan Africa, 2011, World Bank, 2012;
- Ministry of Agriculture Strategic Plan 2008-2012, Ministry of Agriculture 2009;
- Agricultural Sector Development Strategy, 2010–2020, GOK, 2010;
- Medium Term Plan 2013-2017, Concept Note, Office of the Prime Minister, Ministry of State for Planning, National Development and Vision 2030, June 2012;
- Kenya: Report on the Review of Use of Country Financial Management Systems by Donor Financed Projects, Period of Review\_ FY 2011/2012, Ministry of Finance (MOF) and the Public Finance Management – Donor Group (PFM-DG), The World Bank and Embassy of Denmark (DANIDA) Nairobi, August 2012;
- Draft Medium term investment plan (MTIP) 2010 – 2015: CAADP, Kenyan National Agricultural Food Security Plan. ASCU, GOK, 2012;

#### Agriculture

- An Audit of Public Expenditure: The case of the Agriculture and Rural Development Sector, KEPCO, 2010;
- Feed the Future FY 2011-2015 Multi-Year Strategy, June 2011;
- The contribution of Livestock to the Kenyan Economy, Livestock Policy Initiative, A Living from Livestock, IGAD LPI Working Paper No. 03-11, September 2011;
- Kenya County Fact Sheets, Commission on Revenue Allocation, December 2011;
- Kenya Post-Disaster Needs Assessment (PDNA) 2008-2011 Drought, GOK with technical support from the European Union, United Nations, and World Bank 2012;
- Humanitarian Bulletin East Africa, 24 March-13 April; 13-27 April 2012, OCHA;
- FSNWG UPDATE, Food Security and Nutrition Working Group- Central & Eastern Africa, Update April 2012;
- The State of Food and Agriculture 2012, FAO, 2012;
- Thinking Systematically About Scaling Up: Developing Guidance for Scaling Up World Bank-supported Agriculture and Rural Development Operations: The Case of Competitive Grant Schemes for Agricultural Research and Extension. ARD. Washington DC 20433, World Bank, August 2012;
- Global Hunger Index: The Challenge of Hunger: Ensuring Sustainable Food Security under Land, Water, and Energy Stresses. European Report on Development, 2012, IFPRI et al., October 2012;
- FAO, WFP and IFAD, The State of Food Insecurity in the World: Economic Growth is necessary but not sufficient to Accelerate Reduction of Hunger and Malnutrition. FAO, Rome, 2012;
- Climate Change and Food Security. A Report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security, Rome 2012, HLPE, 2012;



Environment

- Economics of Climate Change Kenya, Stockholm Environment Institute, 2009;
- Review of the Economic Impacts of Climate Change in Kenya, Rwanda and Burundi, Tahia Devisscher, ACC, October 2009;
- Adapting agricultural public extension services to climate change: Insights from Kenya, C.I. Speranza et al, German Development Institute DIE\_GDI, CETRAD Kenya, Ministry of Water and Irrigation GOK, December 2009;
- Climate Change Vulnerability and Adaptation Preparedness in Kenya, 2010 Heinrich Böll Stiftung, East and Horn of Africa, 2010;
- Transforming Landscapes, Transforming Lives, The Business of Sustainable Water Buffer Management, main authors Frank van Steenberg, Albert Tuinhof and Lenneke Knoop, Wageningen, The Netherlands: 3R Water Secretariat, 2011;
- Proposed Upper Tana Natural Resource Management Project (UTaNRMP), Strategic Environmental Assessment, IFAD, April 2012;
- Natural Resource Management and Biodiversity Conservation in the Drylands of Eastern and Central Africa, ASARECA, 2012;

Land

- The Government Lands Act, Chapter 280, Revised Edition, 2009 (1984);
- The Registered Land Act, Chapter 300, Revised Edition, 2009 (1989);
- Technical note: Land and natural resource tenure security in Kenya and implications for IFAD, H. Liversage, 2012.

Gender

- National Gender and Development Policy, Ministry of Gender, sports, Culture and Social Services, November 2000;
- The Kenyan Strategic Country Gender Assessment, PREM and ESSD - Africa Region, World Bank, October 2003;
- Kenya Country Gender Profile, African Development Bank, October 2007;
- World Development Report 2012, Gender Equality and Development, World Bank 2011.

Health

- Kenya National AIDS Strategic Plan 2009/10–2012/13, Delivering on Universal Access to Services, Office of the President, November 2009;
- Development Aid and Access to Water and Sanitation in sub-Saharan Africa, Working Paper Series n° 140, African Development Bank Group, November 2011.

**C. Initial COSOP formulation workshop**

This workshop started the formal consultations for the RB-COSOP preparation process and covered the following (see Annex 1):

- (a) Opening remarks (highlighting GoK priorities in keeping with the Kenya Vision 2030 and Kenya Joint Assistance Strategy)
- (b) COSOP Formulation Plan
- (c) Clarification of the TOR and logistics (including identification of CPMT and counterparts to work with the COSOP formulation consultants)
- (d) Reflection on desk review findings
- (e) Reflection on perspectives of different stakeholders for IFAD
- (f) Existing proposals (concept notes from the agriculture sector ministries)
- (g) Reflections on proposals for possible harmonization
- (h) Way forward (strategic foci for next COSOP)

**D. Consultations/interactions around the initial formulation mission**

- (a) Consultations with the GoK, CPMT, DPs and the private sector; in-house workshops on strategic focus, rural sector issues, Results Management Framework (RMF), pipeline issues, innovation and scaling up
- (b) Preparation of the draft RB-COSOP
- (c) Presentation of the draft RB-COSOP to the Mission Debriefing Workshop (where the key thematic areas and related strategic objectives were endorsed by the extended CPMT), see Annex 2
- (d) Presentation of recommendations in an aide memoire at the wrap up meeting held in the Ministry of Finance on 18 May 2012.

**E. Follow-up Formulation Mission (7-20 October 2012)**

The mission started with a workshop to debrief stakeholders on actions taken since the last mission in May, review the draft concept notes prepared after the May mission, and develop the programme for the mission. The workshop was followed by the review of additional information, further consultations with key stakeholders, and refinement of the Results Management Framework. The mission ended with the stakeholders' workshop where the results of the mission were shared with participants including presentation of the revised concept notes. Key observations and recommendations of the mission were summarized in an Aide Memoire which was presented at the wrap meeting held in the Ministry of Finance on 18 October 2012. See Annex 3.

**F. COSOP Validation (18 February 2013)**

The wrap-up and validation meeting was held in Nairobi following the in-house review of the COSOP. The meeting endorsed the three strategic objectives and the proposed PBAS allocation. The validation memo is attached as Annex 4.

**G. Write-shop on potential models for scaling up (19-21 February 2013)**

The COSOP wrap-up meeting was followed by a write-shop in Nairobi involving stakeholders of the Kenya CPMT as well as IFAD country office staff from Rwanda and Tanzania, and staff from IFAD headquarters. The write-shop which was facilitated by the Strategic Planning Division (SPD) of IFAD developed models that can be scaled up under the Kenya COSOP, and the process will be replicated in other countries. SPD has adopted the Kenya COSOP for corporate learning in the application of scaling up at the COSOP formulation stage.

## Country economic background

<b>Land area</b> (km <sup>2</sup> thousand) 2012 [1]	569
<b>Tot. population</b> (million) 2011 (provisional) [7]	39.5
<b>Rural Population</b> (% total) 2010 [1]	78
<b>Population density</b> (people per km <sup>2</sup> ) 2011	69
<b>Social Indicators</b>	
Population (average annual population growth rate) 2007-2010 [1]	2.6
Crude birth rate (per thousand people) 2010 [1]	38
Crude death rate (per thousand people) 2010 [1]	11
Under 5 mortality rate (per 1000 live births) 2010 [1]	85
Life expectancy at birth (years) 2010 [1]	men 55 women 58
Number of rural poor (million) (2005/2006, approximate) [3]	14.17
Poor as % of total rural population 2005 [1]	49.1
Total labour force (million) 2010 [1]	15.5
Female labour force as % of total 2010 [1]	46
<b>Education</b>	
Primary school completion rate (%) 2005 [1]	91
Adult literacy rate (%) 2008 (rural) [4]	77 (72)
2008 men (rural men) [4]	82 (79)
2008 women (rural women) [4]	71(65)
Education expenditure (public spending as % of Government expenditure) 2010 [1]	17.2
Education expenditure (public spending as % of GDP) 2010 [1]	6.7
<b>Nutrition</b>	
Malnutrition prevalence, children under height for age (% of children under 5) 2009 [1]	35.2
Malnutrition prevalence, children under weight for age (% of children under 5) 2009 [1]	16.4
<b>Health</b>	
Health expenditure, total (as % of GDP) 2010 [1]	4.8
Health expenditure/capita (current USD) 2010 [1]	37
Physicians (per 100,000 people) 2002 & 2004 [1]	10
Population with access to an improved water source (%) 2010 [1]	rural 52 urban 82
Population with access to improved sanitation (%) 2010 [1]	32
Mortality rate, under 5 (per 1,000 live births) [1]	85
<b>Agriculture and Food</b>	
Food imports (% of merchandise imports) 2010 [1]	12
Fertilizer consumption (kg per ha of arable land) 2009 [1]	32.4
Food production index (2004-2006=100) 2007-09 [1]	110.3
Cereal yield (kg per ha) 2007-2010 [1]	1 512
Employment in agriculture (as % of total employment) 2005 [1]	61
Manufacturing food, beverages & tobacco (% GDP) 2011 (provisional) [7]	3.2
Livestock production index (2004-2006=100) 2007-09 [1]	115.3
<b>Land Use</b>	
Agricultural area as % of land area 2012 [5]	48.1
Pastures as % of land area 2012 [5]	37.4
Permanent cropland as % of land area 2009 [1]	1.1
Arable land as % of land area 2009 [1]	9.5
Forest area as % of total land area 2010 [1]	6.1
Irrigated land as % of arable land [5]	1.9
Irrigated land as % permanent cropland [5]	20.6

- [1] World Bank, World Development Indicators  
 [1b] World Bank, Development Economics LDB Database (note: 2010 data are preliminary estimates)  
 [2] Economist Intelligence Unit, Country Report Kenya, June 2012  
 [3] KIHBS, KNBS 2007  
 [4] GoK 2008, Statistical Abstract, Government Printer  
 [5] FAO latest figure website  
 [6] UNDP, African Human Development Report, 2012  
 [7] KNBS, Economic Survey 2012

<b>KENYA COUNTRY DATA SHEET</b>	
<b>GDP per capita</b> (current USD) 2010 [1]	795
<b>GDP per capita growth</b> (annual %) 2007-2010[1]	2.0
<b>GNI per capita</b> (USD) 2011 [6]	1,492
<b>Inflation, consumer prices</b> (annual %) 2007-10 [1]	12.3
<b>Exchange rate</b> (October 2012): USD 1 = Kenyan Shilling (KES) 85.1	
<b>Economic Indicators</b>	
GDP (constant 2000 USD million) 2010 [1]	18 988
Average annual rate of growth of GDP	
1982-1992 [1]	4.4
1992-2002 [1]	2.0
2002-2006 [1]	4.1
2007-2010 [1]	4.2
2010 & 2011 [7]	5.8 & 4.4
Sectoral distribution of GDP	
% agriculture & forestry & fisheries 2010 & 2011 (provisional) [7]	22 & 24.5
% mining & quarrying/construction 2011 (prv.) [7]	0.7 & 4.3
% manufacturing 2011 (provisional) [7]	9.4
% services 2011 (provisional) [7] [8]	49.4
Consumption 2010	
General government final consumption expenditure (as % of GDP) [1b]	16.6
Household final consumption expenditure, etc. (as % of GDP) [1b]	74.4
Gross domestic savings (as % of GDP) [1]	16
<b>Balance of Payments (KES Million)</b>	
Exports 2011 (provisional) [7]	511 038
Imports 2011 (provisional) [7]	1 315 671
Balance of trade 2011 (provisional) [7]	-804 633
Current account balance 2011 (provisional) [7]	-296 024
Foreign direct investment, net inflows 2010 (USD Million) [1]	186
<b>Government Finance</b>	
Overall budget deficit (% of GDP) 2010 (est.) [1b]	5.8
Total expenditure (% of GDP) 2010 [1]	22.4
Total external debt (current USD million) 2010 [1]	8 400
External debt stocks (as % of GNI) 2010 [1]	26.9
Total debt service (% of exports of goods, services & income) 2010 [1]	4.4
Public debt to GDP (2011/2012) [2]	50.7
Real interest rate (%) 2010 [1]	11.9
Lending interest rate (%) 2010 [1]	14.4
Net ODA received (as % of GNI) 2010 [1]	5.1
Net ODA received per capita (current USD) 2010 [1]	40
<b>Gender</b>	
Population female (% of total) 2010 [1]	50.1
Labour participation rate female (% of female population ages 15+) 2010 [1] (male=72; total population=66)	61
Maternal mortality ratio (modeled estimate, per 100,000 live births) 2008 [1]	530
Pregnant women prenatal care (%) 2009 [1]	92
Ratio of girls to boys in primary and secondary school (%) 2009 [1]	95
<b>Poverty</b>	
Income share by lowest 20% 2005 [1]	4.8
Poverty gap at rural poverty line 2005 [1]	17.5
Poverty headcount ratio at rural poverty line (% of rural population) 2005 [1]	49.1
Poverty headcount ratio at 1.25 USD a day (PPP) 2005 [1]	43.4
Income Gini coefficient 2005 [6]	47.7
<b>Infrastructure</b>	
Roads paved (% total) 2009 [1]	14.3
<b>Environment</b>	
CO2 Emissions (metric tons/capita) 2007 & 2008 [1]	0.3

[8] The figures provided in [7] for GDP per activity add up to 88.3 per cent, to this 11.7 per cent of taxes less subsidies on products are added to reach 100 per cent

# COSOP results management framework 2013-2018

Country strategy alignment	Key Results for COSOP			COSOP Institutional/Policy objectives (in partnership mode)
<p><b>A. Kenyan Vision 2030</b></p> <p><b>B. MTP 2008-2012</b></p> <p><b>C. Agricultural Sector Development Strategy (ASDS) National ASALs Policy</b></p> <p><b>D. Comprehensive Africa Agricultural Development Programme (CAADP)</b></p> <p><b>E. Kenya Joint Assistance Strategy (KJAS) and its tools on the GOK side i.e. the Agricultural Sector Coordination Unit (ASCU).</b></p> <p><b>F. MTP 2013-2017 (Roadmap)</b></p>	<p><b>COSOP strategic objectives</b></p> <p><b>SO1:</b> (Natural Resources and climate resilience) Gender responsive, <b>climate resilient and sustainable community-based natural resources management</b> in the target areas <b>improved.</b></p>	<p><b>COSOP outcome indicators related to the strategic objectives (from projects/programmes) (*)</b></p> <ul style="list-style-type: none"> <li>• Hectares of land improved through soil/water conservation methods.</li> <li>• Number of community action NRM (water and land) plans included in local government plans.</li> <li>• Hectares of receded rangelands improved.</li> <li>• Number of smallholders benefiting from payment for eco-system services.</li> <li>• Number of NRM groups operational/ functional.</li> <li>• Percentage increase in women in NRM and water users management committees.</li> <li>• Number of smallholder household members whose climate resilience has been increased because of ASAP.</li> <li>• Increase in hectares of land under climate resilient practices.</li> <li>• Number of community groups, including women's groups, involved in ENRM and/or Disaster Risk Reduction (DRR) formed or strengthened.</li> <li>• Percentage change in water use efficiency by men and women.</li> </ul> <p><u>Baseline</u></p> <ul style="list-style-type: none"> <li>• In 2010/2011 over 2,880 ha of land was reclaimed.</li> <li>• Water storage per capita realized in 2010/2011 was 4.6 m<sup>3</sup>.</li> <li>• Soil erosion resulting from deforestation and inappropriate agricultural practices on fragile soils and sloping land reduces agricultural productivity by 2% per year (MKEPP).</li> </ul>	<p><b>COSOP milestone indicators showing progress towards strategic objective (*)</b></p> <ul style="list-style-type: none"> <li>• Groups involved in NRM formed/strengthened.</li> <li>• Smallholder farmers trained in sustainable NRM.</li> <li>• Rainwater harvesting systems constructed or rehabilitated.</li> <li>• Number of farm level storage of groundwater actions implemented.</li> <li>• Community-based NRM plans formulated.</li> <li>• Rewards, compensation and co-investment received by smallholders for stewardship of natural resources.</li> </ul>	<p><b>Specific policy/institutional ambitions related to the strategic objectives (the COSOP policy dialogue agenda)</b></p> <ul style="list-style-type: none"> <li>• Support dialogue on and contributing to strengthening the knowledge base in climate resilient livelihoods and ecosystems as well as community based Environment and Natural Resource Management (ENRM).</li> <li>• Facilitation of local and regional institutions through PPP that link poor rural people to payment of rewards for environmental services</li> <li>• Support re-orientation towards sustainable access of poor rural men and women to land use for productive purposes;</li> <li>• Pilot and assess new models of diversified service delivery involving private sector and other service providers;</li> <li>• Enhance linkages of Programme/Projects M&amp;E with sector wide M&amp;E for supporting the scaling-up agenda.</li> <li>• Support greater private sector participation in project implementation, including through capacity building</li> <li>• Facilitate capacity building of farmers associations and community groups for</li> </ul>
	<p><b>SO2:</b> (Intensification) Access of the poor rural women, men and youth in the target areas to <b>sustainable and</b></p>	<ul style="list-style-type: none"> <li>• Number of service providers operationally self-sufficient</li> <li>• Number of farmers reporting production/yield increases (crop and livestock).</li> <li>• Percentage women and men farmers adopting ecologically sound technologies (agriculture and livestock) increased to 20 percent by 2018.</li> <li>• Number of groups managing infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Poor men, women and youth accessing advisory services.</li> <li>• Beneficiaries trained in climate resilient crop production practices and technologies.</li> <li>• Beneficiaries trained in climate resilient livestock</li> </ul>	

	<p><b>productivity enhancing assets, technologies and services improved.</b></p>	<p>operational/functional.</p> <ul style="list-style-type: none"> <li>• Incremental hectares of crop grown.</li> <li>• Increase in the percentage of agricultural activities managed by youth by type (individuals and groups).</li> </ul> <p><u>Baseline</u></p> <ul style="list-style-type: none"> <li>• In the public sector the ratio of frontline extension worker (FEW) to farmer was recorded as being about 1:1,000 as opposed to the desired 1:400.</li> <li>• 7 percent of women access extension services.</li> <li>• Kenya has an irrigation potential of 1.3 million hectares. Currently 105,000 ha of irrigation is exploited, a further 540,000 ha could be developed with the available water resources while the remaining area would require water harvesting and storage.</li> </ul>	<p>production practices and technologies.</p> <ul style="list-style-type: none"> <li>• Households receiving facilitated animal health services.</li> <li>• Land under smallholder irrigation schemes constructed or rehabilitated.</li> <li>• Poor men, women and youth accessing more land under intensive production.</li> <li>• Smallholder farmers trained in sustainable land management.</li> <li>• Community based land use plans formulated.</li> <li>• Land under improved management practices.</li> </ul>	<p>participation in policy dialogue</p> <ul style="list-style-type: none"> <li>• Support the development, piloting, testing and adaptability of successful models of Value Chain Development including market linkages (e.g. some of the models to be tested may include Cluster Development Approach, Hub, Commercial Village Market, One Village One Product (OVOP)).</li> </ul>
	<p><b>SO3:</b> (Value addition and markets): Sustainable access of poor rural women, men and young farmers, agro-pastoralists and entrepreneurs in the target areas to improved <b>post-production technologies and markets enhanced.</b></p>	<ul style="list-style-type: none"> <li>• Number of farmers using purchased inputs.</li> <li>• Number of functioning market access roads constructed/rehabilitated.</li> <li>• Number of functioning market, storage, processing facilities.</li> <li>• Number of marketing groups operational/functional.</li> <li>• Number of enterprises operating after three years.</li> <li>• Percentage increase in marketing groups with women in leadership positions.</li> <li>• Percentage increase in marketable surplus per annum.</li> <li>• Prices of crop and livestock rise due to better marketing strategies.</li> <li>• Number of farmers and entrepreneurs accessing financial services and the amounts</li> </ul> <p><u>Baseline</u></p> <ul style="list-style-type: none"> <li>• Post-harvest losses at least 30 percent, in the absence of severe outbreaks.</li> <li>• 91 percent of total agricultural exports are currently in raw or semi-processed form.</li> <li>• Close to 20 percent of Kenyans have a bitumen road located one km or less, while 65.8 percent can reach a tarmac road after travelling 5 or more km.</li> </ul>	<ul style="list-style-type: none"> <li>• Smallholder farmers trained in post-production, processing and marketing.</li> <li>• Market access roads constructed/rehabilitated.</li> <li>• Market, storage, processing facilities constructed and/or rehabilitated.</li> <li>• Marketing groups formed and/or strengthened.</li> <li>• Smallholder farmers in marketing groups.</li> <li>• Smallholder farmers trained in business and entrepreneurship enterprises accessing facilitated financial services.</li> </ul>	

### **Country Strategy Alignment**

**Kenyan Vision 2030.** *Targets:* Increased contribution of agriculture to the GDP by more than KES 80 billion per year, economic growth of over 10 percent per annum.

**MTP 2008-2012:** Aimed at increasing real GDP growth from 7 percent in 2007 to 10 percent by 2012. *Targets:* Agriculture and livestock to grow at 6-8 percent; irrigate an additional 1.2 million hectares of land; establish five disease-free zones for livestock and facilitate export of livestock and livestock products; rehabilitate and protect forests in five water towers; and water storage and harvesting.

**Agricultural Sector Development Strategy (ASDS)** has six thematic areas, working through six Thematic Working Groups. First strategic thrust corresponds to **SO2 and SO3:** increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises; Second strategic thrust corresponds to **SO1:** developing and managing the key factors of production. *Targets:* Agricultural sector: to achieve an average growth rate of 7 per cent per year over the next 5 years. Exploit 9.2 million ha of irrigation potential in the ASALs. By 2015: to reduce the number of people living below the poverty line to less than 25 percent to achieve the first MDG; reduced food insecurity by 30 percent to surpass the MDGs; increased contribution of agriculture to the GDP by more than KES 80 billion per year; divest from all state corporations handling production, processing and marketing that can be done better by the private sector; reformed and streamlined agricultural services such as in research, extension, training and regulatory institutions to make them effective and efficient. *MOA Strategic Plan 2008-2012:* Increase funding to research institutions to 2 percent of GDP.

**National ASALs Policy:** *Investment priority area 5.0 Agriculture, Livestock and Fisheries Development* corresponds to **SO2:** increase the area under cultivation through small-scale irrigation development, improve agriculture and extension services, and undertake drought-related livestock interventions and promote camel production; and **SO3:** develop marketing of agricultural produce, develop abattoirs in key strategic sites and encourage establishment of farmer associations to access credit. *Investment priority area 1.0 Natural Resource Management* corresponds to **SO1:** strengthen community-based natural resource management and related institutions, address land tenure and land-use issues, encourage tree planting and afforestation.

**Comprehensive Africa Agricultural Development Programme (CAADP)** *First strategic drive* corresponds to **SO2:** increasing productivity and promoting commercialization and competitiveness of all crops, livestock, marine and fisheries and forestry; and **SO3:** promoting commercialization and competitiveness of all crops, livestock, marine and fisheries and forestry; *Second strategic drive* corresponds to **SO3:** increasing market access through development of cooperatives and agri-business; *Third strategic drive* corresponds to **SO1:** Developing and managing the national water resources, land resources, forestry, and wildlife in a sustainable manner; *Fourth strategic drive* corresponds to **SO2 and SO3:** Reforming agricultural service, credit, regulatory, processing and manufacturing institutions for efficiency and effectiveness; *Fifth strategic drive* corresponds to **SO1, SO2, SO3:** Promoting private sector participation in all aspects of agricultural development. *Target:* Six percent annual growth of the agricultural sector and 10 percent of budgets to the agricultural sector.

**MTP 2013-2017:** The COSOP document takes into account the priorities being considered under MTP 2013-2017 which include food security; value addition of agricultural products; expanding existing and new markets; irrigation; community-based approaches; climate change; disaster preparedness; enhancing PPP arrangements

### **(\*) Indicators**

Outcome and milestone indicators are intended for design for scale and they should be considered during the design stage.

As part of detailed design, in the first year of COSOP implementation a baseline will be defined this will be transferred in the work for future projects. In the meantime available measurable indicators and proxy baseline data will be used.

Indicators will be disaggregated by gender and age.

## Previous COSOP results management framework

Objective	Status at COSOP Design	Status as at June 2012	Comments
<p><b>Overall objective:</b> Empower rural Poor in Kenya to reduce poverty on a sustainable basis.</p>			
<p><b>COSOP SO1:</b> Capacity of public, private sector and civil society organizations in delivering services requested by the rural poor, is strengthened.</p>	<p><input type="checkbox"/> Number of rural poor served by public, private and civil society organisations is increased by 45% by 2012</p> <p><input type="checkbox"/> Number of women on management committees increased to 30% by 2012</p> <p><input type="checkbox"/> Number of CAPs included in government plans (60%).</p>	<p><input type="checkbox"/> Overall programme assessment not done. But impact assessment survey (IAS) for MKEPP in 2012 indicates:</p> <p><input type="checkbox"/> 19% of focal area committees had women chairmen; women in leadership positions rose from 40% to 48-52%; 48% of project committee members trained were women.</p> <p><input type="checkbox"/> 47 CAPs developed; 17 WRUAs formed; 2 WRUAs funded by WSTF</p>	<p>Considerable investment was made by most projects to build the capacity of public service providers. But many trained staff ended up being transferred to other positions, or even locations as happened with the splitting of districts. Some farmer organizations were also assisted with capacity building so as to train farmers on group empowerment. Women in leadership positions have increased in most projects. Several community projects in infrastructure have been support by the local authorities and provision made for their maintenance</p>
<p><b>COSOP SO2:</b> Access of rural poor to, and their utilization of, appropriate technologies, markets, and community-owned rural infrastructure <b>is improved</b></p>	<p><input type="checkbox"/> Number of farmers adopting technology recommended by the project (25% by 2012).</p> <p><input type="checkbox"/> Number of households reporting an increase in net margins (40% by 2012).</p> <p><input type="checkbox"/> Reduction of roads in bad condition from 43% of road network to 20% by 2012.</p> <p><input type="checkbox"/> Agricultural productivity increased by 18% by 2012 crops and livestock</p> <p><input type="checkbox"/> 10% increase in volume of marketable surplus annually.</p>	<p><input type="checkbox"/> Overall programme assessment not done.</p> <p><input type="checkbox"/> But IAS for MKEPP indicates 58% of households have adopted various soil and water conservation measures and 63% new crop varieties.</p> <p><input type="checkbox"/> Farmers who adopted improved practices reported 71% increase in incomes for crops and 55% for milk.</p> <p><input type="checkbox"/> Farmers reported 100% increase in milk yield and 75% weight gain for use of upgraded dairy goats.</p>	<p>Adoption rates differed for different technologies, but high net margins have been reported for dairy, banana and vegetable production. Marketable surplus has increased in the high medium potential areas but in the ASALs, increased production has contributed more towards increased food security.</p>
<p><b>COSOP SO3:</b> Access of rural poor to financial services and investment opportunities is improved</p>	<p><input type="checkbox"/> Number of enterprises operational by type.</p> <p><input type="checkbox"/> Percentage of portfolio at risk.</p> <p><input type="checkbox"/> Number of active borrowers.</p> <p><input type="checkbox"/> Number of active savers.</p>	<p><input type="checkbox"/> Overall programme assessment not done..</p> <p><input type="checkbox"/> But SNCDP has achieved 80% of value of savings targeted, 115% of target of active borrowers, and 72% growth in the number of shares mobilized</p>	<p><input type="checkbox"/> The key intervention for this objection is PROFIT, but as at mid-2012, this project has not taken off effectively. A solid foundation has been laid for implementation and the results will show in the next COSOP.</p>

## CPE agreement at completion point

1. IFAD has funded 15 projects in Kenya since the first project was approved in 1979. The total cost of the project portfolio is US\$378 million, including US\$175 million in loans from IFAD, US\$72 million in counterpart funds from the Government and US\$131 million in cofinancing. Currently, six projects are on-going. IFAD-supported projects in Kenya aim to promote agricultural production and productivity, social infrastructure including health, domestic water and sanitation, natural resources and environment management, agricultural value chain development, institutional development, and rural finance.

2. This is the first country programme evaluation (CPE) of Kenya by the Independent Office of Evaluation of IFAD (IOE), since the Fund started its operations in the country in 1979. The CPE had two main objectives to: (i) assess the performance and impact of IFAD-supported activities in Kenya; and (ii) generate a series of findings and recommendations to serve as building blocks for the formulation of the forthcoming Kenya results-based country strategic opportunities programme (COSOP), which will be prepared jointly by IFAD and the Government of Kenya following the completion of the evaluation.

3. This agreement at completion point captures the main findings from the CPE (see section B below) as well as the recommendations (see section C below) IFAD and the Government of Kenya agree to adopt and implement within the specific timeframes. These agreed recommendations will be tracked through the President's Report on Status of Implementation of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management. IOE's role is to facilitate the process leading to conclusion of this agreement.

### A. Main Evaluation Findings

4. **Overview.** The results of the IFAD-Government of Kenya partnership in the last decade have been generally encouraging, especially recognizing that the partnership was at its lowest levels in the 1990s due to the suspension of IFAD activities in the country. Among other areas, the CPE found useful results in natural resources management and environmental conservation, community development, and the introduction over time of approaches that favour income generation and commercialization of small farmers as a means to rural poverty reduction.

5. At the same time, the CPE underlines that, the highly varied nature of sub-sector activities financed through IFAD-supported projects in Kenya and insufficient attention to policy dialogue and partnerships with bilateral and multilateral donors have constrained the Fund from contributing even more widely to improving rural incomes and livelihoods. Moreover, its largely exclusive focus, in the past, on medium to high potential areas in the south west of the country has also not enabled the Fund to contribute to exploiting the enormous economic potential in the arid and semi-arid lands, where around 30 per cent of all rural poor people live in Kenya.

6. **Specific findings.** IFAD's participatory and bottom-up approaches as well as emphasis on community development, and grass-roots institution building are valued by the Government and all main partners in Kenya. These characteristics, including its focus on rural small farmers, distinguish IFAD from other donors in the country. They are critical for building ownership at the local level that can contribute to better sustainability of benefits. Projects have also promoted domestic water supply, sanitation facilities and public health infrastructure, even though these are not areas of IFAD's comparative advantage and should be reconsidered in the future to limit the fragmentation of the country programme. A number of innovations have been



introduced through IFAD-funded projects and there are examples of scaling up. However, both innovation and scaling up are not driven by a coherent agenda and are pursued currently on an ad-hoc basis.

7. IFAD's performance as a partner in Kenya has been satisfactory in the past decade. To its credit, useful efforts have been made to effectively reactivate a suspended portfolio in the 1990s. Since 2000, IFAD prepared two COSOPs for Kenya, financed six new loans, established a country presence with an out posted CPM and Associate CPM in Kenya, shifted to direct supervision and implementation support in all on-going and new operations, set up a proactive country programme management team with various in-country partners, and established its first regional office in Nairobi headed by a portfolio adviser. IFAD has however not engaged sufficiently in policy processes and in developing strategic partnerships.

8. On the other hand, the CPE underlined a number of areas of concern regarding the performance of Government, including weak project implementation capacity at the district level, small allocation of counterpart funds in the context of IFAD-supported projects, insufficient commitment to policy implementation, slow flow of funds, and inadequate financial management, auditing and procurement processes. Although improving gradually, its national budget allocation to the agriculture sector has consistently fallen short of the 10 per cent target enshrined in the 2003 Maputo declaration. The fragmentation of its institutional architecture - with ten different ministries dealing with agriculture and rural development - has created dispersion of resources and challenges in the delivery of projects and their co-ordination. The Government appears now to be seriously concerned in revitalizing the sector, and has recently issued a new agriculture sector development strategy, signed the CAADP Compact, and adopted a new national constitution. Moreover, the Ministries of Finance, Planning, Agriculture, Livestock, Water and Irrigation, Public Health, and Gender, Children and Social Development, have designated desk officers who follow IFAD matters in a timelier manner.

9. IFAD has provided a number of country-specific grants to Kenya including global and regional grants that cover Kenya, inter-alia, on rural finance, sustainable land use, promotion of traditional drought resistant crops, agriculture water management, prevention of HIV/AIDS, knowledge management, and livestock production and marketing. The grants have been useful in undertaking research on key topics of concern to the country programme. However, the evaluation found that there are opportunities for better linkages between grants (especially global and regional grants) and investment operations. It also noted that grant recipients in Kenya were not fully aware of other grant activities in the country, thus limiting possible synergies among them and across the investment portfolio.

10. As in a large number of IFAD-supported operations globally, efficiency of operations in Kenya is the weakest performing evaluation criteria covered by the CPE. Some of the reasons for weak efficiency include slow procedures for replenishing project special accounts, delays in payment of services, high overall project management costs as a proportion of total project costs, multiple components and institutions involved in project execution, and in some cases, cost overruns that are hard to explain. Ensuring better efficiency therefore is an area that merits concerted attention and efforts in the future.

11. The Kenya country office in Nairobi has enabled the Fund to gain a better understanding of country context and develop greater communication and dialogue with a range of partners. The Government of Kenya, project staff and others are highly appreciative of the permanent physical presence of the CPM in Nairobi. Being based in the country, the CPM is able to provide more timely project supervision and implementation support, even though the country office's overall capacity and resources

to engage in policy dialogue remains constrained. This is partly due to the vast amount of work in the design of new operations and managing the six projects that are currently under implementation, but also due to the fact that the policy agenda and priorities are not sufficiently defined. The relationships, roles and responsibilities between the Kenya country office and IFAD's regional office for East and Southern Africa have yet to be fully articulated.

12. The IFAD regional hub set up in Nairobi in 2007 was developed into a full-fledged regional office at the beginning of 2011, the first such decentralised organization structure in any of the five geographic regions covered by IFAD operations. The portfolio adviser is supported by three technical experts on gender, land and finance issues. The evaluation believes the establishment of such a regional office is an interesting innovation, as it provides an opportunity to bring IFAD closer to the ground in order to more effectively support the activities it finances throughout the region. However, the evaluation could not find any evidence of analytic work that led to the establishment of the regional office in Nairobi, nor why such an office was first set up in East and Southern Africa region. In any case, moving forward, there is a need to develop more clarity on the organizational structure of the regional office, its relationships with headquarters and the various country programmes in the region, the technical expertise that should be housed there, and its work programme.

## **B. Recommendations**

13. The below recommendations have been agreed by the Government of Kenya and IFAD.

### **14. Recommendation 1:**

a. **Future geographic and sub-sector priorities.** The next COSOP should be built on the foundations of IFAD's comparative advantage and specialization in Kenya. The new COSOP should specify that IFAD will include loan-funded investments in the arid and semi-arid lands, which has a large untapped economic potential (e.g., in irrigated crop farming and livestock development) and is home to around 50 per cent of all rural poor in Kenya. This would be consistent with the Government's own priorities of developing the arid and semi-arid lands to promote national economic development. The COSOP should specifically analyse, among other issues, the poverty profile of the rural poor in arid and semi-arid lands, the prevailing institutional capacities and infrastructure to support economic development, as well as the opportunities for partnership with other donors who could provide essential complementary inputs. Working in the arid and semi-arid lands (ASALs) can also contribute to enhancing efficiency of IFAD-funded projects, in light of the poverty incidence in those areas. Moreover, the COSOP should clearly define a narrower set of sub-sectors to prioritise in the future, including commodity value chain

development with greater engagement of the private sector, small-scale participatory irrigation development especially in the arid and semi-arid lands, livestock development, agriculture technology to enhance productivity and long-term soil fertility, and natural resources and environmental management. The COSOP should explicitly articulate thematic areas that will not be covered by IFAD interventions in the future, including domestic water supply, health and sanitation, as they are not areas where IFAD has a comparative advantage.

b. **Deadline: COSOP period, 2013-2018**

c. **Responsible entity: IFAD and Government of Kenya**

**15. Recommendation 2:**

a. **Development approach.** IFAD should continue working on community development and promote participatory and bottom-up approaches to agriculture and rural development, building strong grass-roots institutions and investing in gender equality and women's empowerment. These are IFAD trademarks and areas of support highly appreciated by Kenyan partners. As such, IFAD's renowned development approach should be weaved into its broader efforts aimed at commercialization and promoting small farming as a business. For example, contributing to empowerment of small farmers through training and promoting grass-roots institution development (e.g., dairy cooperatives) would provide them greater access to markets and better prices.

b. **Deadline: COSOP period, 2013-2018**

c. **Responsible entity: IFAD and Government of Kenya**

**16. Recommendation 3:**

a. **Innovation and scaling up.** The next COSOP should clearly highlight areas where innovation will be pursued in the country programme, following a thorough assessment of areas where the introduction of innovation in agriculture can contribute to better results in reducing rural poverty. Some examples to consider in Kenya include small-scale participatory irrigation and water management in arid and semiarid areas to ensure sustainable use of ground water, and the engagement of the private sector, such as supporting small firms that can provide agro-processing services for livestock value addition. The new COSOP should devote emphasis to scaling up for wider poverty impact. This will however require greater investment in building partnership with multilateral development banks and other donors as well as engage the Government in policy dialogue, based on good practice examples and lessons emerging from the field.

b. **Deadline: COSOP period, 2013-2018**

c. **Responsible entity: IFAD and Government of Kenya**

**17. Recommendation 4:**

a. **A more integrated country strategy.** The new COSOP should more precisely articulate how the various IFAD instruments (loans, regional and country grants, policy dialogue, partnership building and knowledge management) will complement each other and contribute towards the achievement of country programme objectives. For instance, this will require attention to ensuring synergies across investment operations, across regional and country specific grants, as well as across investment operations and grants and non-lending activities (policy dialogue, knowledge management and partnership building). The non-lending activities will need to be resourced adequately, if they are to truly contribute to strengthening coherence within the country programme. In terms of priority for policy dialogue, based on the experience from IFAD-supported projects, the Fund could support Government in developing new and refining existing policies for livestock development especially in arid and semi-arid areas, water management, and private sector engagement in small-scale agriculture. Partnerships with the AfDB, FAO, USAID and World Bank should be strengthened, especially in identifying options for co-financing operations and scaling up, as well as undertaking joint policy dialogue with Government on key agriculture and rural development issues.

b. **Deadline: COSOP period, 2013-2018**

c. **Responsible entity: IFAD and Government of Kenya**

**18. Recommendation 5:**

a. **Better government performance.** The Government will need to ensure that it puts in place the necessary supporting policy and institutional framework, as well as allocate the required resources, that will lead to the regeneration of pro-poor growth in the country's agriculture sector. In particular, the Government will need to ensure that its

auditing, financial and procurement systems are strengthened to ensure responsible use of IFAD loan funds, as well as work towards increasing its share of counterpart funds in IFAD-supported projects. On its side, IFAD can provide support to capacity building of government officials for better service delivery at the local level, support the Government in the implementation of the national irrigation policy, and contribute to improving its financial and procurement systems to ensure more timely flow of funds and due diligence in use of resources.

**b. Deadline: COSOP period, 2013-2018**

**c. Responsible entity: IFAD and Government of Kenya**

#### **19. Recommendation addressed to IFAD:**

**a. IFAD's physical presence in Kenya.** The country office could play a greater role in evidence-based policy processes, which will however require allocating the required resources and time. The role of the CPM in policy dialogue should also be reflected adequately in his/her annual performance evaluation system objectives. It is essential that the relationships between the Kenya country office and the IFAD regional office in East and Southern Africa be rapidly outlined and communicated to all concerned in Kenya and throughout the region. It is recommended that the regional office's organizational structure be articulated clearly, including its relationships with headquarters and the various country programmes in the region, the technical expertise that should be housed there, and its work programme. In this regard, it would be advisable to develop specific indicators that can be used to evaluate the performance and contribution of the regional office at an appropriate time in the future, including indicators that might shed light on value for money of the regional office. Similarly, it would be useful for ESA to prepare a periodic progress report on the regional office for the IFAD Senior Management, outlining the achievements and challenges of such a decentralised organizational arrangement.

**b. Deadline: End 2011**

**c. Responsible entity: IFAD**

## Project pipeline

### CONCEPT NOTE 1 CLIMATE RESILIENT COMMUNITY BASED NATURAL RESOURCE MANAGEMENT PROJECT

#### Justification and rationale

1. The project will contribute to the economic and social pillars of Vision 2030, with a focus on the intervention areas of the ASDS and CAADP related to promoting sustainable land and NRM and climate resilient livelihoods.
2. The proposed project will: demonstrate incursion into the ASALs as recommended by the CPE; explore partnership with the RBAs in the implementation of the joint initiative; exploit other funding opportunities including the Adaptation for Smallholder Agricultural Programme (ASAP) and the Green Fund, for addressing climate change and environmental and NRM towards rural poverty reduction; benefit from the proof of concept provided by earlier IFAD-assisted projects such as the Green Water Credit; and leverage the comparative advantage of IFAD as reflected in the Strategic Framework 2011-2015, with focus on: (i) a natural resource and economic asset base that is more resilient to climate change, environmental degradation and market transformation, (ii) poor rural women and men and their organizations able to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities, and (iii) poor rural women and men and their organizations able to influence policies and institutions that affect their livelihoods.

#### Project Objectives

3. The objectives of the proposed project are: (i) rural communities empowered for sustainable NRM; (ii) climate resilience has been increased among smallholder household members; (iii) natural asset-based rural livelihoods sustainably improved; and (iv) land and water resources sustainably improved. The objectives are linked to the targets in the COSOP Results Management Framework of increased areas of land under improved soil and water conservation and rangeland management, increased functional NRM groups with stronger women participation in management, increased inclusion of community NRM plans in local government plans; and increased number of smallholder household members whose climate resilience has been increased.
4. The expected outcomes of the interventions include: participatory conservation, and sustainable land use, range management and water resource management. mechanisms of payment for ecosystem services (e.g. for carbon sequestration and land degradation control) in the form of reward, compensation and co-investment, low carbon technologies for value chain development and employment creation, improving access to land for cultivation in the forest reserve buffer zone, and use of mapping and GIS/GPS as NRM tools, greater access to multiple-benefit technological options that increase yields, strengthen resilience to risks and shocks, enhance environmental goods and services, and reduce poverty. Specifically for ASAP, the outcomes will include: increase in hectares of land under climate resilient practices; number of community groups, including women's groups, involved in ENRM and/or Disaster Risk Reduction (DRR) formed or strengthened; and percentage change in water use efficiency by men and women. The COSOP policy objectives to be supported by the project include: (a) dialogue on and contribution to strengthening the knowledge base in climate resilient livelihoods and ecosystems as well as community based environment and NRM; and (b) facilitation of local and regional institutions through public-private partnerships that link poor rural people to rewards for environmental services.

### **Ownership, Harmonization and Alignment**

5. The Ministry of Environment and Mineral Resources (MEMR) is spearheading a consultative process to operationalize the National Climate Change Response Strategy (NCCRS) of April 2010, through the Kenya Climate Change Action Plan (KCCAP). In addition, the Parliament passed the Climate Change Authority Bill in June 2012. Both the bill and the action plan will guide all government and development partner activities aimed at addressing climate change issues in Kenya, and may require the realignment of the proposed project as well as relevant ongoing interventions. The rationalization of the agricultural sector ministries as required by the new Constitution and the revision of the sector working groups under the Kenya Joint Assistance Strategy (KJAS) will strengthen the move towards the harmonization of institutional arrangements for interventions aimed at sustainable NRM and promotion of climate resilient livelihoods.
6. The Medium Term Plan (MTP) of the ASDS and the CAADP Kenya National Food Security Plan 2010-15 assert that intensification of production (in the short term) in the High Rainfall Areas (HRAs) will provide adequate food to meet the needs of the country up to 2015. But beyond that, the country will depend also on the ASALs. Investment in the necessary infrastructure, establishing a sustainable base for improved livestock and food crop production, and linkage to markets for the produce, will be important requirements for the ASALs to play the expected role in food security for Kenya. The ownership of the interventions is ensured through alignment with the priorities of ASDS, CAADP, NCCRS, African Adaptation Programme (UNDP/JICA), Environment Management and Coordination Act (EMCA) and the flagship projects identified under the Water Catchment Conservation Master Plan, such as the Green Schools Initiative, Soil and Water Conservation, Wildlife Migration Corridors, Tree Planting and Climate Change. ASAP-supported activities will be enhanced through partnership with institutions such as the Climate Change Secretariat of the MENR, the Agricultural Sector Coordination Unit (ASCU), and the RBAs.

### **Components and activities**

7. Three major components are envisaged:
8. ***Climate resilient and sustainable NRM*** - support for preparation of community-based NRM plans (including biodiversity assessment), pastoral field schools (planned grazing, fodder production, exclusion), animal health systems, community-based water efficient systems (irrigation/rain water harvesting), watershed management, protection of natural wetlands, mitigation of human wildlife conflict, and diversification of the livelihoods of the households, national and community decision making, including vulnerability mapping (also coping mechanisms and indigenous/traditional survival strategies to climate change of smallholders and agro-pastoral systems); support for agro-meteorological services (Kenya Meteorological Department) and Early Warning Systems; capacity building (learning, results-based monitoring and evaluation (M&E), knowledge management (KM) and training) which focus on climate proofing of community-based NRM plans, defining tools and mechanisms to measure greenhouse gas (GHG) emissions avoided and/or sequestered and to monitor climate change adaptation impacts; development and mainstreaming of climate change adaptation into all economic activities to be supported under the project; establishing synergies with the MENR new initiative "Modeling Food Security in the Context of Sustainable NRM"; support for biodiversity conservation including for orphaned crops such as cassava and sorghum; scaling up of promising innovations such as (i) catchment conservation, (ii) rain water harvesting, (iii) agro meteorological information, a radio station (RANET) is already operational but limited to two counties with Safaricom (cell phone providers) as a key partner, (iv) wildlife migration corridors, (v) renewable energy, and (vi) efficient management of invasive species for energy production; support for policy dialogue for integrating adaptation best practices into policies and for scaling up, drawing on the lessons learned from project implementation, especially policies that hinder or facilitate sustainable land management, value addition and market access, and anchored on an

effective monitoring and evaluation (M&E) system; exploring opportunities for south-south cooperation, cross-learning and twinning as tools for capturing knowledge and scaling up community and institutional capacity on adaptation, for example for climate-resilient roads, greening of value chains using cleaner technologies, bio-energy and renewable energy-efficient technologies, recycling of livestock waste as organic nutrients for soil, invasive species control in pasture lands, pilot schemes on weather indexed insurance, payments for ecological services, community carbon sequestration.

9. Although the Adaptation for Smallholder Agriculture Programme (ASAP) grant will be blended with the first project focusing on NRM, it will support eligible activities in the whole COSOP. ASAP will support the establishment of a vulnerability baseline at the early stage of design once the target area has been defined, link with the climate change related results from MKEPP and other projects, and support multi-benefit actions to strengthen livelihoods and reduce vulnerability. The actions to reduce vulnerability which aim to increase natural, human, social, physical and financial capital will include: strengthening the asset base through sustainable increases in productivity, diversifying farming systems, integrating learning and capacity building for farmers on climate risk management, promoting equity and inclusion of vulnerable groups in the risk management initiatives, and increasing access to information and facilitating knowledge sharing across geographical boundaries related to climate change adaptation. A key outcome indicator for the ASAP will be the number of smallholder household members whose climate resilience has been increased because of ASAP.
10. **Community empowerment** – mobilization of communities into viable groups for economic decision making and for action for sustainable NRM; support for semi-pastoralism, in line with the ongoing modification to the traditional wandering lifestyle whereby the pastoralist women and children make a home at a particular place to which the herders (men and young males) return after trekking in search of pasture, and which Government is encouraging in order to make basic services (education and health) economically available at such places; capacity building in community-based NRM, particularly environment and ecosystem conservation in collaboration with local authorities and the relevant government services; capacity building for livestock farming (which is the main livelihood in the ASALs) including conservation of fodder, genetic improvement, disease control, value addition in meat and milk, and market access linkages. (v) gender mainstreaming in NRM; gender responsive community-based NRM, requiring women empowerment and inclusion in all decision making to achieve sustainability in interventions; mapping of culture norms in the target areas to ensure that culture sensitive empowerment strategies are used.
11. **Rural livelihoods** – support for multiple benefit interventions that optimize the efficient use of soil moisture, water and energy, and reduce soil carbon emissions and post-production and marketing losses. Examples of promising multiple benefit approaches, ready for scaling up include: conservation agriculture, landscape approaches, integrated farming systems (crop and livestock), integrated pest management, integrated nutrient systems, participatory rangeland management, use of improved location-specific crop seed and livestock varieties, agro forestry (tree nurseries, exploitation of indigenous trees such as gum arabica), run-off and water harvesting systems; special support to youth related to training in business management, value addition and market access; use of the cluster approach to facilitate climate change risk management and integration of climate resilient activities in the value chain.

### **Costs and financing**

12. The indicative new resources available for this project is US\$ 66.5 million, with US\$ 56.5 million anticipated from the 2013-15 PBAS cycle and US\$ 10 million from ASAP. These figures will be refined during the design of the project. Since the project will be designed with a scaling up mindset, drawing on the balance of resources of relevant

ongoing projects and exploring co-financing from other partners, the actual cost of the project may eventually be much higher. Some of the partners foreseen for this project include the other RBAs (WFP and FAO), the European Union, RAIN Foundation and various funds for climate change adaptation, such as Climate Change Adaptation Fund, the financing mechanism for the United Nations Convention for Combating Desertification (UNCCD), the United Nations Framework Convention for Climate Change (UNFCCC), and the new Green Fund.

13. ASAP will support a micro watershed/landscape/ecosystem approach as the primary unit of project interventions, which is also instrumental for ensuring connectivity of assets (natural, social and economic assets) for maximum results and impact; scaling up of multiple benefit approaches for sustainable agricultural intensification; and the greening of the value chains. A tentative breakdown of the cost among the components is given in the table below.

**Table 1: Project costs and financing**

Component	Budget in US\$ (million)
	Loan/ Grant
Climate resilient and sustainable natural resource management	22.0
Community empowerment	15.0
Rural livelihoods	17.0
Project coordination and management and policy	12.5
<b>Total</b>	<b>66.5</b>

### Organization and management

14. The appropriate ministry to anchor this project will be determined at the design stage. The important consideration for selection will be the capacity and capability of the ministry to spearhead project interventions. To address the CPE concern on the cost of the project management unit (PMU), a lean structure is proposed to be closely associated with the lead agency. This unit will comprise the Project Coordinator, Coordinator for NRM, Accountant, and Coordinator for M&E/Knowledge Management. Other facilitators will be recruited on a need basis.

### Monitoring and Evaluation indicators

15. A draft logical framework, indicating the outcomes, outputs and indicators for the project is attached as Annex 1. The logical framework is related to the Results Management Framework of the COSOP. The baselines to enable the determination of targets for the key indicators will be established during the design of the project or latest in the first year of project implementation.
16. Annex 2 indicates the ASAP project selection criteria. These will also be adapted as indicators for the appropriate results in the logical framework. ASAP tracking indicators will capture the number of climate resilient CBNRM plans, the number of service providers and extension agents trained in technology transfer for climate change adaptation, and the number of functional community environmental groups. ASAP will support a vulnerability baseline, impact assessments and produce a set of knowledge products from environmental and NRM adaptation experiences for facilitating scaling up at county and national levels. Examples of products include: studies and dissemination of information from the proposed vulnerability mapping for informed decision making, green jobs creation and climate resilient value chains.
17. The M&E framework of the project will be aligned to the government's National Integrated Monitoring and Evaluation System (NIMES) and will incorporate a sector-wide approach to development. Other monitoring indicators will track change in food



security, household income, private sector investments along the value chain and the number of farmers linked to domestic and external markets

**Risks**

18. Climate-related risks will be addressed through: (i) strengthening the community-based Early Warning Systems (crop and livestock), including suitable communication systems for dissemination and feedback; (ii) mainstreaming climate resilience in programmes, plans and policy; and (iii) partnership with institutions such as the Kenya Meteorological Department of MENR, the National Environment Trust Fund (responsible for supporting best environmental initiatives), the Department of Resource Survey and Remote Sensing (DRSRS), the WFP/ICRAF (for vulnerability mapping), and the Kenya Cleaner Production Centre (which monitors pollution control and works in collaboration with the private sector).

**Timing**

19. The establishment of the vulnerability baseline would be done as soon as the political system has settled down after the elections and a decision has been made on the potential participating counties in this project. It is targeted to present the project for Board approval in September 2014.

## Annex 1: Draft Project Logical Framework

Results Hierarchy	Indicators	Means of Verification	Assumptions
<p><b>Goal:</b> Contribute to reduction of rural poverty in the project areas with a special focus on ASALs</p>	<ul style="list-style-type: none"> <li>Percentage decrease in poverty levels</li> <li>Percentage increase in number of households with increased climate resilience</li> </ul>	<ul style="list-style-type: none"> <li>Household surveys</li> <li>Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Communities, Government, development partners and key stakeholders develop and sustain collaborative approach to natural resource management (NRM)</li> </ul>
<p><b>Development Objectives:</b> (<i>Natural resource management and climate resilience</i>) Gender responsive, climate resilient and sustainable community-based natural resources management in the target areas improved</p>	<ul style="list-style-type: none"> <li>Ha. of land improved through soil/water conservation measures</li> <li>Increase in crop yields</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<p><b>Outcome 1: Rural communities empowered for sustainable natural management and climate change resilience</b></p>	<ul style="list-style-type: none"> <li>No. of people in target areas trained in climate resilient management of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<p><b>Output 1.1:</b> Operational and functional NRM community</p>	<ul style="list-style-type: none"> <li>Level of awareness on NRM issues within participating communities.</li> </ul>	<ul style="list-style-type: none"> <li>Baseline and follow-up surveys on awareness about NRM issues</li> <li>Media reports on NRM issues</li> </ul>	
<p><b>Output 1.2:</b> Action plans with inbuilt climate resilient provisions</p>	<ul style="list-style-type: none"> <li>NRM capacity of community organizations.</li> <li>No. of CAP applications</li> </ul>	<ul style="list-style-type: none"> <li>Baseline and follow-up surveys on awareness about NRM issues</li> <li>Media reports on NRM issues</li> </ul>	
<p><b>Output 1.3:</b> Community based plans included in local government planning instruments.</p>	<ul style="list-style-type: none"> <li>No. of action plans prepared funded/implemented</li> </ul>	<ul style="list-style-type: none"> <li>Documented action plans.</li> </ul>	
<p><b>Output 1.4:</b> Gender involvement in decision making processes</p>	<ul style="list-style-type: none"> <li>No. of women in decision making</li> </ul>		

<b>Outcome 2: Climate resilient, and sustainable land and water resource uses benefitting local people and wider community improved</b>	<ul style="list-style-type: none"> <li>No. of households with access to safe water.</li> <li>Ha of land degradation reduced</li> <li>Levels of chemical and microbial pollution in waterways.</li> </ul>	<ul style="list-style-type: none"> <li>Household surveys (baseline and follow-up).</li> <li>Bathymetric surveys in reservoirs.</li> <li>Water quality monitoring surveys.</li> </ul>	
<b>Output 2.1:</b> Resilient climate agro-systems for sustainably managed land and water resource improved.	<ul style="list-style-type: none"> <li>Ha of land rehabilitated and/or protected</li> <li>Estimated rates of soil loss from farmlands.</li> </ul>	<ul style="list-style-type: none"> <li>Reports on activities undertaken</li> <li>Soil loss measurements at representative sites covering the main farming systems.</li> </ul>	
<b>Output 2.2:</b> Land conservation improved	<ul style="list-style-type: none"> <li>Ha coverage, no. of technologies/practices</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.3:</b> Water use efficiency improved	<ul style="list-style-type: none"> <li>Ha coverage, no. of technologies/practices</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.4:</b> Pasture management system improved	<ul style="list-style-type: none"> <li>Ha coverage, no. of technologies/practices</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.5:</b> Energy use efficiency enhanced	<ul style="list-style-type: none"> <li>Ha coverage, no. of technologies/practices</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.6:</b> Improved and rehabilitation/ restoration	<ul style="list-style-type: none"> <li>Ha coverage, nr of technologies/practices</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.7:</b> Sustainable water management improved	<ul style="list-style-type: none"> <li>Structures, silt load reduced, water flows improved</li> <li>No. of WUAs financed</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	

<b>Outcome 3: Natural assets- based rural livelihoods sustainably improved.</b>	<ul style="list-style-type: none"> <li>• Level of income generated and assets acquired by participatory households</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline survey and follow-up reports</li> </ul>	
<b>Output 3.1:</b> Natural resources-based livelihoods packages and options adapted to agro-ecological and socio-economic contexts enhanced.	<ul style="list-style-type: none"> <li>• No. of agricultural packages tested and demonstrated.</li> <li>• No. of tonnes of seed produced and distributed</li> <li>• Increased income</li> </ul>	<ul style="list-style-type: none"> <li>• Reports on trials, demonstrations and research results.</li> <li>• Measurements of enterprise productivity and profitability.</li> </ul>	
<b>Output 3.2:</b> Increase in level of income generated and assets acquired by participating households.	<ul style="list-style-type: none"> <li>• No. of participants engaged in adopting and/or improving income-generating activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Project reports on CIG income-generating activities.</li> <li>• Farmer field school records.</li> </ul>	
<b>Output 3.3:</b> Reward for environmental services	<ul style="list-style-type: none"> <li>• Increased income of participating communities</li> </ul>		
<b>Output 3.4:</b> Access to services	<ul style="list-style-type: none"> <li>• % access to services</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline and follow-up measurements of these key environmental parameters.</li> </ul>	

## **CONCEPT NOTE 2**

### **AGRICULTURAL INTENSIFICATION AND MARKET ACCESS PROJECT**

#### **Justification and rationale**

1. The proposed project will address SO2 and SO3 of the COSOP. SO2 is aligned to the first strategic thrust of ASDS on increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises. It is also aligned to interventions priority area 5.0 of the National Policy for the Sustainable Development of ASALs, which seeks to promote equitable access to small-scale irrigation, access to extension services, and safeguards to land tenure. SO3 is aligned to the first strategic thrust of ASDS on post-production technologies and markets; and investment priority 5 of the National Policy for Sustainable Development of ASALs on developing markets for agricultural produce (abattoirs), and support to the establishment of farmer associations to access credit. SO3 is also in line with the CAADP pillar on increased market access through cooperatives and agri-business.
2. The project is aligned to the IFAD Strategic Framework 2011-2015 objectives of: a natural resource and economic asset base of poor rural women and men that is more resilient to climate change, environmental degradation and market transformation; poor rural women and men and their organizations able to manage profitable, sustainable and resilient farm and non-farm enterprises or take advantage of decent work opportunities; and poor rural women and men and their organizations able to influence policies and institutions that affect their livelihoods. The project will achieve these strategic objectives by supporting market oriented production along the value chain, storage and processing, roads infrastructure development, and strengthening of market related groups and enterprises.

#### **Project Objectives**

3. The objectives of the proposed project are: (i) intensification of crop and livestock production through access to productivity enhancing technologies and services; and (ii) increased value addition and profitable access to markets. The objectives are linked to the targets in the COSOP Results Management Framework of: increased adoption of ecologically sound technologies by farmers, increased production and yields, increased marketable surplus, increased operationally self-sufficient service delivery, increased amounts of functional road and market infrastructure, and increased number of operating enterprises after three years.
4. The project will support a change in mindset towards scaling up in the agricultural sector through market oriented production and market access. Financial outreach to project participants will be facilitated by PROFIT which is developing sustainable approaches to increased access to financial services. The project will support the development and strengthening of farmer associations to better respond to the new paradigm, with emphasis on entrepreneurship and private sector investments and service provision. Tested models such as the cluster development approach will be applied to promote commercialization of crop and livestock production through support to market information and networks, all aimed at scaling up in the agricultural sector.

### **Ownership, Harmonization and Alignment**

5. Government plans to mobilize resources through the Agricultural Sector Development Support Programme (2013-17) and the Medium Term Investment Plan (2013-17) to achieve the ASDS and CAADP goals of: 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 (NRM); reforming and improving delivery of agricultural services and research; increasing market access and trade; and ensuring effective coordination and implementation of interventions. Kenya is moving towards using a sector wide approach (SWAp) to achieve the above goals and expects development partners to increasingly comply with the requirement to pool their resources in the framework of the sector development programme. IFAD, however, recognizes that its resources cannot be applied to budget support. The coordination of interventions in the agricultural sector is by the Agricultural Sector Coordination Unit (ASCU). The proposed rationalization of the agricultural sector ministries as required by the new Constitution, the passage of the new Agriculture, Livestock and Fisheries Act (ALFA), and the revision of the sector working groups under the Kenya Joint Assistance Strategy (KJAS) will strengthen the move towards the harmonization of institutional arrangements for interventions aimed at sustainable agricultural intensification and access to markets.
  
6. The Kenya National Food Security Plan 2010-15 highlights that, in the short term, intensification of production in the High Rainfall Areas (HRAs) will provide adequate food to meet the needs of the country up to 2015. But beyond that, the country will depend also on the ASALs. The challenge of assuring food security therefore requires: investment in capacity building of the key actors along the important food value chains; investment in infrastructure, especially roads, markets, electricity, water, storage and processing facilities; promotion of agri-business and value addition; and facilitation of local and regional trade. These developments will guide IFAD activities under the COSOP and may require the realignment of the proposed project as well as relevant ongoing interventions.

### **Components and activities**

7. Two major components are envisaged.
  
8. **Stakeholder empowerment** – training of communities in climate resilient crop and livestock production technologies and systems, especially proven models from ongoing projects; supporting economic interest groups to access productivity enhancing technology packages; strengthening farmer groups to sustainably access markets; supporting adaptive research for sustainable production systems; and empowering women and youth for inclusion in all economic activities and decision making processes through mapping of the cultural norms in the project areas and developing acceptable inclusion strategies. The perception that youth tends to avoid the drudgery of farming will be addressed through the promotion of on-farm processing, inputs supply and stocking business, market linkages and other agriculture related enterprises that will be of greater interest to the youth. Sustainability will be achieved through empowering communities to develop and strengthen farmer associations and primary groups. The proposed cluster

development strategy could be a viable mechanism for sustaining and up-scaling production in the target areas.

9. **Marketing infrastructure and services** – promote sustainable: (i) private sector led value addition through access to technologies and agro-processing, on-farm storage and marketing facilities; (ii) market access through information and networks; and (iii) access to financial services. Improved technologies can also address production problems which affect postharvest loss, as well as the management of aflatoxins at commercial and household levels for animal feed and human food.

### Costs and financing

10. The indicative new resources available for this project from IFAD is US\$ 43.5 million from the 2016-18 PBAS cycle, with the tentative breakdown shown in the table below. These figures will be refined during the design of the project. Since the project will be designed with a scaling up mindset, drawing on the balance of resources of relevant ongoing projects, leveraging commercial bank funds for increased access of project participants to financial services, and exploring co-financing from other partners, the actual cost of the project may eventually be much higher. Some of the partners foreseen for this project include the financial institutions currently working with PROFIT, the USAID, International Finance Corporation of the World Bank Group and the European Union. IFAD funding of the project will be mainly as a loan to the Republic of Kenya.

**Table 1: Project costs and financing**

Component	Budget in US\$ million
	Loan/Grant
Stakeholder empowerment for intensification of production	9.5
Marketing infrastructure and services	25.0
Project coordination and policy dialogue	9.0
<b>Total</b>	<b>43.5</b>

### Organization and management

11. The appropriate ministry to anchor this project will be determined at the design stage. The important consideration for selection will be the capacity and capability of the ministry to spearhead project interventions, including facilitating policy development. To address the CPE concern on the cost of the project management unit (PMU), a lean structure is proposed to be closely associated with the lead agency. This unit may comprise the Project Coordinator, Coordinator for Empowerment, Accountant, Coordinator for Policy Dialogue, and Coordinator for M&E/Knowledge Management. Cluster coordinators will be recruited on a need basis.
12. The Project Coordination and Policy Dialogue component will coordinate the support for creating an enabling environment for private sector investments, through public-private sector dialogue, research and policy analysis. Lessons learned from project implementation would inform the review of the agricultural sector policies that hinder or facilitate sustainable land management, value addition and market access. The policy dialogue subcomponent will be anchored on an effective M&E system.

**Monitoring and Evaluation indicators**

13. A draft logical framework, indicating the outcomes, outputs and indicators for the project is attached as Annex 1. The logical framework is related to the Results Management Framework of the COSOP. The baselines to enable the determination of targets for the key indicators will be established during the design of the project or latest in the first year of project implementation. A summary description of the cluster development strategy is given in Annex 2.
14. The M&E framework of the project will be aligned to the government's National Integrated Monitoring and Evaluation System (NIMES) and will incorporate a sector-wide approach to development. Other monitoring indicators will track change in food security, household income, private sector investments along the value chain and the number of farmers linked to domestic and external markets.

**Risks**

15. Project related risks include: inability of economic interest groups to mobilize resources for processing technologies; inability to access adequate markets due to infrastructure constraints; inadequate incentives to attract private investments; and unfavourable government policies related to production intensification and market access. Mitigation measures will include project linkages with PROFIT for rural financial services; spot infrastructure improvement and linkage with appropriate government authorities for other related infrastructure; and policy dialogue to address constraints to private investments in the target areas. Climate-related risks will be addressed through the other project under this COSOP: (i) strengthening the community-based Early Warning Systems (crop and livestock), and (ii) mainstreaming climate resilience in programmes, plans and policy.

**Timing**

16. Project design is expected to start in 2015 after some of the ongoing projects have been completed and lessons and models generated which can be applied for scaling up of agricultural intensification and value addition.



### Annex 1: Draft Project Logical Framework

Results hierarchy	Indicators	Means of verification	Assumptions
<b>Goal:</b> Contribute to reduction of poverty in target areas	<ul style="list-style-type: none"> <li>Percentage decrease in poverty levels</li> </ul>	<ul style="list-style-type: none"> <li>Household survey</li> </ul>	<ul style="list-style-type: none"> <li>Government, communities, private sector develop a sustainable mechanism for policy dialogue</li> <li>The emerging institutional framework supports innovations in agriculture</li> </ul>
<b>Development objective (SO2):</b> (Intensification) Access of the poor rural women, men and youth in target areas to sustainable and productivity enhancing assets, technologies and services is improved	<ul style="list-style-type: none"> <li>No. of farmers accessing climate resilient crop and livestock production systems and technology</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and follow-up reports</li> </ul>	
<b>Outcome 1:</b> Poor women, men and youth in the target areas empowered in climate resilient crop and livestock production practices and technologies	<ul style="list-style-type: none"> <li>No. of farmers trained in climate resilient crop and livestock production technologies and systems</li> </ul>		
<b>Output 1.1:</b> Access of poor women, men and youth to climate smart crop and livestock production technologies and systems improved	<ul style="list-style-type: none"> <li>No. of farmers accessing climate resilient technologies</li> </ul>		
<b>Output 1.2:</b> Climate smart production of crops and livestock in target areas intensified	<ul style="list-style-type: none"> <li>No. of farmers adopting climate resilient technologies and system</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 1.3:</b> Community based crop and livestock management systems formed/strengthened	<ul style="list-style-type: none"> <li>No. of farmer groups formed/strengthened</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Outcome 2:</b> Community access to innovative crop and livestock production technologies and services improved	<ul style="list-style-type: none"> <li>Percentage increase in production and productivity of crops and livestock</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.1:</b> Access to productivity enhancing technologies and services sustained.	<ul style="list-style-type: none"> <li>No. of participating farmer groups accessing technologies and services</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.2:</b> Crop and livestock productivity intensified	<ul style="list-style-type: none"> <li>Increase in Ha of crops and value of livestock owned</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.3:</b> Commercialization of crop and livestock production upscaled	<ul style="list-style-type: none"> <li>Change in value of crop and livestock marketed</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Outcome 3:</b> Income and asset base of communities in target areas improved	<ul style="list-style-type: none"> <li>Change in income and assets base of communities in target areas</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 3.1:</b> Access to ecologically sustainable crop and livestock production technology packages enhanced	<ul style="list-style-type: none"> <li>No. of farmers in accessing ecologically sustainable crop and livestock production technology packages</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 3.2:</b> Access to innovative crop and livestock production services sustained	<ul style="list-style-type: none"> <li>No. of farmers sustainably adopting innovative production services</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 3.3:</b> Participation of women and youth in ecologically sound crop and livestock production systems and technologies improved	<ul style="list-style-type: none"> <li>No. of women and youth participating in farming groups</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	

<b>Development objective (SO3):</b> (Value addition and markets): Poor rural women, men and young farmers, agro-pastoralists and rural entrepreneurs in target areas have sustainable access to improved post-production technologies and markets	<ul style="list-style-type: none"> <li>No. of farmers adding value to produce and accessing markets</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>Government at sub-national level create enabling environment for private investments</li> <li>Communities, Government, development partners and private sector support innovative value addition and market access models, particularly cluster development approach</li> </ul>
<b>Outcome 1:</b> Farmers, agro-pastoralists and rural entrepreneurs empowered to access value addition technologies and markets increased	<ul style="list-style-type: none"> <li>No. of framers, agro-pastoralists and entrepreneurs trained in value addition and market linkages</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 1.1:</b> Investment environment for private sector investments improved	<ul style="list-style-type: none"> <li>Change in sub-national doing business indicators</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 1.2:</b> Access to financial services/credit improved	<ul style="list-style-type: none"> <li>Value of financial services and credit extended to farmers and entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 1.3:</b> Technical support services to communities in value addition technologies and markets sustained	<ul style="list-style-type: none"> <li>Change in value of technical support services for value addition and market access in target areas</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Outcome 2:</b> Income and asset base of communities improved	<ul style="list-style-type: none"> <li>Change in income and asset base of communities in the target areas</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.1:</b> Participation of farmers, agro-pastoralists and rural entrepreneurs in value addition and markets improved	<ul style="list-style-type: none"> <li>No. of farmers, agro-pastoralists and entrepreneurs adopting value addition technologies</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.2:</b> Markets infrastructure in the target areas improved	<ul style="list-style-type: none"> <li>No. of marketing facilities constructed</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 2.3:</b> Access to domestic and external markets improved	<ul style="list-style-type: none"> <li>Value of value added products sold in domestic and external markets</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Outcome 3:</b> Private sector investments in agro-processing and market linkages communities in target areas improved	<ul style="list-style-type: none"> <li>Value of private sector invested in target areas</li> </ul>		
<b>Output 3.1:</b> Sustainable value addition and marketing systems upscaled	<ul style="list-style-type: none"> <li>Change in value added products marketed</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 3.2:</b> Training of farmers and rural entrepreneurs in business skills sustained	<ul style="list-style-type: none"> <li>No. of farmers and rural entrepreneurs trained in business skills</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	
<b>Output 3.3:</b> Value addition and market access management systems formed/strengthened	<ul style="list-style-type: none"> <li>No. of processing and marketing groups functional in the medium term</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey and monitoring reports</li> </ul>	

## Key files

### Key file 1: Rural poverty and agricultural/rural sector issues

Priority Areas	Affected Groups	Major Issues	Actions Needed
Increase in the productivity, commercialization and competitiveness of the crops subsector	All smallholder farmers, especially poor, semi-subsistence smallholders with marketable surplus	<ul style="list-style-type: none"> <li>▪ Inefficient land use in the form of idle and under-utilized land in particular of high and medium potential areas. Over-subdivision of land into uneconomic units in some parts of the country while other land parcels in the possession of large scale farm holders remains unutilized. Limited equitable access to irrigated land. Titles not kept up to date, limited access to land by women and youth. Weak land management institutions in ASAL areas (Group Ranches and Trust land). Limited exploitation of high potential pockets in ASALs;</li> <li>▪ Over-dependence on rain fed agriculture;</li> <li>▪ Low productivity due to limited extension and training services as a result of over-reliance on public extension services, coupled with low funding of the service. Low application of contemporary science and technology such as genomics, biotechnology, modeling and information communication;</li> <li>▪ Low productivity due to high cost and increased adulteration of key inputs;</li> <li>▪ Low productivity due to limited coordination and investment in research and low application of agricultural technology and innovation by farmers;</li> <li>▪ High post-harvest losses due to poor harvesting, storage and transportation facilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formulating and implementing appropriate policy and legal frameworks with specific reference to enacting the Consolidated Agricultural Reform Bill; finalizing and implementing the national irrigation and national land use planning policies and legal frameworks. Implementing policy and institutional reforms to strengthen community based land and NR use planning, area-based to macro-level regional development planning of river basins and large water bodies. Supporting appropriate decentralized and community-based land registration or recording systems; strengthening measures for ensuring equitable access and tenure security in irrigation schemes;</li> <li>▪ Promotion of low cost irrigation technologies. Intensifying and expanding irrigation; improving rainwater harvesting and storage for agriculture; and developing, rehabilitating and protecting river banks, water bodies and water catchments. Developing community support and empowerment programmes. Formulating and implementing integrated basin-based development programmes;</li> <li>▪ Improving delivery of extension and training services by increasing the number of extension officers per farm household and outsourcing extension and training services. Development of a more pluralistic and holistic extension system that involves Government along with the private sector and NGOs in provision.</li> <li>▪ Fertilizer cost-reduction investment programme involving purchasing and supply chain improvements in the market for this input and the blending and local manufacturing of fertilizer. Actions needed would include working with the private sector and reviewing farmer institutions' ability to import and distribute fertilizer in bulk. The following would be needed: capacity building of farmers and farmers' organizations; efficient fertilizer ordering and distribution process and provision of warehousing to address the inefficient and costly fertilizer importation and distribution structure that is currently in place;</li> <li>▪ Improve coordination of agricultural research system establishing linkages with producers, processors &amp; marketing and education institutions; investing in research for improving seed quality; and increasing access of farmers to credit facilities for purchase of improved inputs;</li> <li>▪ Research and development of technologies focused on post-harvest storage and handling and increasing access to credit for this purpose.</li> </ul>

Priority Areas	Affected Groups	Major Issues	Actions Needed
Increase in the productivity, commercialization and competitiveness of the crops subsector/ continued	All smallholder farmers, especially poor, semi-subsistence smallholders with marketable surplus	<ul style="list-style-type: none"> <li>▪ Inadequate value addition and agricultural marketing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More extension linked to value addition and markets. Capacity building of farmers and farmers' organizations on grading and standardization. This would be with specific reference to higher-value or differentiated agricultural and food products (HVAF), good agricultural practices and international food standards for those wanting to export to international markets. Assist farmers to form producer organizations to produce, process and market their produce within Kenya and for export including facilitating access to credit. Strengthening governance and technical capacity of Cooperatives, better enforcement of the Cooperative act ensured by the Government and encouragement of community based organizations' and farmer groups' transformation into Cooperatives. Public-private partnerships and investments in agricultural marketing facilities (including market information) and rural infrastructure (including road development).</li> </ul>
Increase in the productivity, commercialization and competitiveness of the livestock subsector	Livestock owners and/or Pastoralists	<ul style="list-style-type: none"> <li>▪ Inadequate information on livestock population;</li> <li>▪ Low productivity due to low quality breeds;</li> <li>▪ Low productivity due to inadequate feeding;</li> <li>▪ Low productivity due to heavy livestock losses to diseases and pests;</li> <li>▪ Inadequate marketing of livestock;</li> <li>▪ Inadequate value addition and marketing of animal products;</li> <li>▪ Competition / conflicts over natural resources, in particular grazing lands and water;</li> <li>▪ Weak community-based grazing/ browsing and rangeland management institutions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing a centrally coordinated livestock database;</li> <li>▪ Livestock breeding programmes and improved access to artificial insemination services;</li> <li>▪ Formulating sustainable grazing/browsing and rangeland management plans, including strengthening of community based management institutions and conflict resolution mechanisms;</li> <li>▪ Range improvements and establishment of livestock feed reserves and infrastructure development;</li> <li>▪ Improving animal health and quality assurance services through improving access to veterinary drugs. Integrating development and management of rangeland. Establishment of Disease-Free Zones in particular would involve improvements in vaccination and disease control through a strengthened veterinary department, movement controls and investments in livestock breeding, range improvements and marketing infrastructure to raise the quality, quantity and value of processed meat animals that Kenya can export. Kenya's milk exports would also benefit from enhanced disease control measures in the highlands;</li> <li>▪ More extension linked to value addition and markets and related capacity building of livestock holders and livestock owners' organizations on grading and standardization of dairy and other livestock products, with specific reference to higher-value or differentiated agricultural and food products (HVAF), good agricultural practices and international food standards for those wanting to export to international markets. Assist farmers to form producer organizations to produce, process and market their produce within Kenya and for export, including facilitating access to credit. Strengthen governance and technical capacity of cooperatives, better enforcement of the Cooperative Act, and public-private partnerships and investments in agricultural marketing facilities and rural infrastructure.</li> </ul>

Priority Areas	Affected Groups	Major Issues	Actions Needed
<p>Developing Northern Kenya and other Arid Lands (specific issues relevant for ASALs which would be complementary to those detailed above for farmers and livestock holders in other areas)</p>	<p>Pastoralists and agro-pastoralists in arid and semi-arid lands</p>	<ul style="list-style-type: none"> <li>▪ Historical and on-going loss of rangelands to large-scale commercial ranchers, expanding crop farming and forestry and wild-life conservation;</li> <li>▪ Inadequate policy and legal framework;</li> <li>▪ Insufficient land under cultivation;</li> <li>▪ Inter-ethnic and inter-clan conflicts, banditry and livestock rustling;</li> <li>▪ Low productivity due to inadequate research;</li> <li>▪ Low productivity due to heavy livestock losses to diseases and pests;</li> <li>▪ Low productivity due to inadequate infrastructure;</li> <li>▪ Low productivity due to limited access to livestock inputs/services, including: (a) veterinary drugs due to insufficient number of Community Animal Health Workers (CAHWs), and linkage failures between CAHWs and drug suppliers caused by limited revolving funds at the Pastoralist Associations (PAs), lack of accountability of the CAHWs, and drug shortages due to massive buyouts by relief NGOs during droughts/disasters, (b) forage and small livestock equipment, due to agrovets/livestock input suppliers being generally located in major towns and usually employing itinerant representatives who visit rural market centers on market days;</li> <li>▪ Marketing constraints to incomes due to scarcity of local markets, long distances to terminal markets (high movement/ feeding costs, loss of quality and weight), poor market information, low bargaining power of small livestock holders, difficulties in forming sustainable pastoralist groups due to their mobility, little processing and value addition, demand affected by poor product presentation, difficulties in getting products approved by Kenyan Bureau of Standards (KBS), poor handling of products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing legal frameworks to resolve land tenure issues and promotion of land improvements by security of tenure including: strengthening sustainable rangeland management planning processes, strengthening the administration of group rights by communities and community-based user groups. Related conflict prevention and management interventions such as peace building, pastoral codes, and conflict early warning and peace committees. Promote cross-border natural resource management initiatives;</li> <li>▪ Redressing the unfavorable policy environment for pastoralist activities, particularly for the development of private veterinary practices at the CAHWs level, e.g. national legislation only allows veterinary doctors to dispense drugs; however these doctors are not interested in employment in the ASALs. Enable groups to advocate for reducing the multiple taxes as livestock move between counties;</li> <li>▪ Increased emphasis on research on products suitable for production in the ASALs. High yielding but disease resistant varieties would be a priority in the pastoral and other dry areas. These could include drought-tolerant crops (sorghum/millet and root crop systems), horticulture, and drought-tolerant maize. Diversification is important in semi-arid regions where maize crops fail 5 harvests out of 8. Given the shortage of forage, the increase in the production of forage, including agro-forestry tree species, is needed. The Government could intervene towards multiplication of quality crops seeds such as sorghum, legumes, millet, cassava, potatoes, among others, that cannot attract commercial seed companies;</li> <li>▪ Establishment of livestock Disease-Free Zones for export markets;</li> <li>▪ Finding solutions to limitations in input supply by agrovets by coordinating higher-volume purchase through large suppliers and offering business training courses. Improve distribution of forage through SMEs, as well as business advice through service providers. Support the development of private AI services;</li> <li>▪ Development of abattoirs and market development in key strategic sites. Development of cold storage. Development of market information systems. Road development.</li> </ul>

Priority Areas	Affected Groups	Major Issues	Actions Needed
Developing Northern Kenya and other Arid Lands (specific issues relevant for ASALs which would be complementary to those detailed above for farmers and livestock holders in other areas)/continued	Pastoralists and agro-pastoralists in arid and semi-arid lands	<ul style="list-style-type: none"> <li>▪ Low production and productivity due to inadequate access to water;</li> <li>▪ Reduction of vulnerability of the population also due to over-dependence on pastoral activities. In this context also need to develop activities by women and youth and promote more equitable access to irrigated land;</li> <li>▪ Pastoralists try and adapt to climate change, for example camels are becoming more important, but pastoralists are becoming less resilient as old coping systems that provided grazing reserves or allowed more freedom of movement are curtailed with human population increases, as land is set aside for other purposes, or as recovery periods are reduced.</li> <li>▪ Difficulties in social services provision due to the nomadic lifestyle;</li> <li>▪ Low access to credit.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development of low cost water harvesting and irrigation infrastructure. There are 9.2 million hectares with the potential for crop production if put under irrigation, this is equivalent to the total farmland in the MHP parts of the country. The ASAL Development Project would initially be implemented in the Tana and Athi River basins to bring between 600,000-1,000,000 ha under irrigation;</li> <li>▪ Development of mechanisms and safeguards for more equitable access to irrigated land by poor households, women and youth in government and community based schemes;</li> <li>▪ Drought management systems established. Assisting pastoral communities in diversifying income sources including promoting camel production, supporting fisheries development, poultry, beekeeping, ostrich farming and game, harvesting of natural resources such as the neem tree and gum arabic and gum resins such as frankincense and myrrh which could have export potential, community managed tourism. Provide insurance schemes for producers and businesses to minimise losses. In particular there is a need to increase the involvement of women who in general in pastoral households tend to have responsibilities such as the management of sheep and goats, the milking of livestock, and the management of milk in terms of domestic consumption and milk processing. Women could be encouraged to play very substantial roles in the marketing of livestock and livestock products also through capacity building and group formation;</li> <li>▪ Mobile schools. Other services in the human and livestock health sectors can combine fixed and mobile facilities, such as mobile outreach camps, pastoral association drug stores, mobile community animal health workers and the provision of bladder tanks to provide water where there is no need to construct permanent water facilities.</li> </ul>

Priority Areas	Affected Groups	Major Issues	Actions Needed
Environmental Issues	Rural population, with particular reference to population with small landholdings farming on degraded land and pastoralists in degraded rangelands	<ul style="list-style-type: none"> <li>▪ Growing need to adequately address climate change issues at institutional level;</li> <li>▪ Low and declining soil fertility;</li> <li>▪ Improved local management of natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implementation of National Climate Change Response Strategy (NCCRS) for all sectors and implementation of quick start projects in agriculture to roll out NCCRS. Increase of the level of awareness and capacity building in Climate Change adaptation and mitigation in agricultural programmes, projects and activities, among top managers, county/sub county staff and other stakeholders. Encouraging practices with reduced external inputs where appropriate. Promoting drought tolerant crops and high value traditional crops- higher yields/ resilience, soil and water conservation for intensification, water harvesting for crop production, adaptation and weather based index insurance;</li> <li>▪ Promote environmental conservation through, in the case of sustainable intensification: conservation agriculture, agroforestry and integrated farming systems with livestock management and, in the case of extensive livestock and rangelands management: improving grazing land management which has the second highest technical potential for mitigating C emissions (IPCC 2007), integrating trees (silvopastoral systems) to ramp up the potential for carbon storage (along with other co-benefits);</li> <li>▪ Strengthening of community-based natural resource management institutions.</li> </ul>

Priority Areas	Affected Groups	Major Issues	Actions Needed
Gender	Women, especially female heads of households who are widowed, deserted or divorced.	<ul style="list-style-type: none"> <li>▪ Limited gender disaggregated data;</li> <li>▪ Limited access to natural and productive resources. Social practices deny many women the right to property ownership, and access to credit, agricultural inputs, markets, and opportunities from membership of agricultural co-operatives. Women rarely qualify for any credit that is tied to collateral requirements, which are often based on a land title deed;</li> <li>▪ Low exposure to agricultural services such as extension due to: (a) development and introduction of technology often without involving women, (b) multiple roles in reproduction, maintenance and production constituting heavy gender workloads and placing limitations on women's time and the extent to which they can take advantage of new agricultural knowledge and skills through extension networks or the media, (c) high rate of illiteracy among rural women, affecting their capacity for absorbing and adopting new ideas, (d) lack of deliberate and reliable mechanisms for specifically disseminating research findings to women farmers. It is often assumed that information aimed at the general public or farmers generally will reach women. The establishment of reliable channels of communication with women remains a big challenge in agriculture;</li> <li>▪ Unexploited potential of women's entrepreneurship which is mostly present in food processing, agro-processing, horticulture and retail trade and of women's groups;</li> <li>▪ High poverty rates for women;</li> <li>▪ Inadequate women's representation in local groups &amp; management committees.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development of gender disaggregated data and of indicators to monitor participation of women in economic development;</li> <li>▪ Increased access of women to land and strengthened land tenure security, including identifying community gardens for women's groups;</li> <li>▪ Increased access of women to research results and extension services by the creating of reliable channels of communication directly with women and adapting extension services to women's time constraints. Development of technologies relevant to the roles of women in agricultural production and food processing. Increased access of women to education. The structure of women's groups in Kenya, provides a viable channel for out-reach by the Government and other development agencies: agricultural and other extension officers should be seen to maximize the potential of the women's groups in their out-reach activities;</li> <li>▪ Need to encourage the increase in the size of women's businesses in which they are presently mostly sole traders. Need to encourage the development of women's groups many of which are engaged in agricultural and livestock development activities such as co-operative farming, horticulture, food processing and marketing, zero-grazing, goat keeping and bee keeping;</li> <li>▪ Need to increase women's access to finance, also by increasing their awareness of and capacity to access and utilize the Women Enterprise Development Fund and the Women Investment Fund;</li> <li>▪ Need to build gender-mainstreaming capacity in public investment programmes. Need to develop and implement anti-poverty programmes that improve access to food in the case of women living in abject poverty. Increased access to health and family planning services;</li> <li>▪ Increase participatory planning and the participation of women in decision-making.</li> </ul>



Priority Areas	Affected Groups	Major Issues	Actions Needed
Youth	75% of the Kenyan population who are under 30 years of age	<ul style="list-style-type: none"> <li>▪ Need to prepare the younger generation for the future challenges of commercial agriculture for export and environmental issues;</li> <li>▪ Limited access to natural and productive resources. Traditional and social practices deny many young people the right to property ownership, putting them at a disadvantage in seeking access to credit, agricultural inputs, marketing outlets and opportunities accruing from membership of agricultural co-operatives. In most cases, access to credit, training and improved production techniques are linked to access to land ownership.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased access of young people to land and strengthened land tenure security, including identifying community gardens for youth groups;</li> <li>▪ Specific education and training and extension services targeted to rural youth.</li> </ul>

**Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)**

<b>Organization</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
Ministry of Finance (MOF)	Staffed with professionals who are conversant with donor operations, economic and financial management matters. Competent subsidiary organs that assist in the macroeconomic management of the country (e.g. CBK, KRA). Able to mobilize considerable resources to finance development and recurrent expenditures. Enforcement of financial and procurement procedures has improved. Micro-Finance Act (2006) to promote and regulate financial services delivery.	Limited staff capacity to deal with expanded donor support to Kenya. Unable to control ministerial votes as line ministries demand autonomy, which sometimes encourages wasteful spending. Mounting debt and high recurrent costs limit the availability of funds for investment expenditures and development priorities. Effects of political manipulations, e.g. payment of bad guaranteed debts of State Corporations, allocations such as to the Constituency Development Funds, over which it has no direct control. Weak information and communication infrastructure.	Harmonize donor support under Kenya Joint Assistance Strategy (KJAS). More clearly separate financial management functions (MOF) from development coordination functions (MSPNDV2030). Upgrade information and communication technology to efficiently manage key expenditures and revenue parameters. Together with others such as the Public Accounts Committee and Public Investment Committee of Parliament, and the Kenya Anti-Corruption Authority, reduce misuse of public resources. Strengthen rural financial services.	Politically motivated decisions can misdirect investment resources. Proper management of public funds can be compromised if procurement, commitment and payment procedures are not adhered to.

Organization	Strengths	Weaknesses	Opportunities	Threats
Office of the Prime Minister, Ministry of State for Planning, National Development and Vision 2030	Well-defined and established institutional structures, consisting of specialized directorates at the Head Office, Central Project, Planning and Monitoring Units (CPPMUs), field-based planning units, as well as Semi-Autonomous Government Agencies (SAGAs). Strong established partnerships with various development stakeholders in the country. Well trained and skilled staff, with strong commitment to their work. Sound statistical, research, analysis and reporting capacity. Ability to coordinate multi-sectoral projects. Develops strategic policy papers such as the ERS and Vision 2030, which assist government ministries to prepare sector specific strategies. Poverty indices for all constituencies and districts. Includes the KNBS, which has the mandate to gather information from all government ministries, departments and state corporations, and produces statistical surveys, abstracts and other documents.	Lack of a supportive legal framework for planning, coordination, monitoring and evaluation to secure enforcement of the planning process. Planning divisions located in the line ministries do not function effectively as centers of planning and decision making in those ministries. A weak, or not fully developed and well-integrated Monitoring and Evaluation System. Inadequate human resource capacity at the headquarters, CPPMUs as well as in districts. Inadequate succession planning. Weak linkages between planning and resource allocation, particularly at the devolved level. Lack of a clearly articulated Information, Education and Communication Strategy that would enhance organizational efficiency and effectiveness. The KNBS has inadequate capacity to collect data and conduct all the studies that are required. Inadequate physical facilities and equipment at all levels. Inadequate clarity of functions and linkages between HQ, CPPMUs, District offices and SAGAs.	Renewed goodwill from key stakeholders including politicians, the citizenry and Development Partners in support of the implementation of Vision 2030. Leveraging on the PMO to advocate for a supportive framework to reinforce national planning, coordination and reporting and/or enactment of the Planning Act. Coordination of multi-sectoral development efforts, and assisting the treasury in appropriate budgetary resource allocation. Existence of PPP and linkages with CSOs. Bringing universities on board to undertake socio-economic studies including in agriculture. Advances in public sector reforms which further enhance national planning, budgeting and assessment of results.	Weak governance and Public Sector Management Challenges such as inadequate human resource base, weak information systems, rigid civil service procedures and inadequate allocation of budgets. Public mistrust of Government and the credibility of its technical reports. High staff turn-over. Very dynamic local and global political, economic, social, technological and legal changes reflected in high oil prices, natural disasters and the like.

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Agriculture (MOA) and parastatals (including ADC, AFC, KARI, KEPHIS, HCDA, NCPB, PCPB)	Sound strategic documents, the SRA 2004-2014, a Strategic Plan 2008-2012 that respond to the ERS, and the ASDS 2010-2020 that respond to Vision 2030 and is aligned with the CAADP and MDG one and seven. A well-structured extension services, dynamic and committed political leadership, committed, dynamic and competent workforce, institutional capacity and policy arrangements. Government commitment to enhance funding to the sector. Improved financial management system, a growing private sector driven value-chain. Responsive and strong farming community. Well established research institutions, FTC's. Adequate infrastructure in horticulture sub-sector. Adoption of AgSWAp and coordination of agriculture sector ministries through ASCU.	Low funding, considering its importance in the national economy. Inadequate outreach of technical advisory services on the ground. Weak farmer-extension-research linkages, failure to quickly disseminate available research findings. Lack of funds to provide credit to farmers for enterprise investment; lack of management capacity and poor farmer partnerships relations at AFC. Weak service delivery of regulatory bodies at field level. Poor governance and accountability in key institutions. Poor succession management. Weak and unfavorable legal and regulatory environment. Duplication and overlapping of roles by several institutions and stakeholders. Low and declining land fertility. High cost and increased adulteration of key farm inputs and inability to produce competitively. Weak information management. Inadequate land management and environmental conservation. Dependence on rain-fed production.	A vibrant democratic leadership from grassroots to the national levels. Increased level of stakeholder participation. Collaboration within and outside productive sector ministries. Review and update the policy framework under single umbrella legislation. Promote irrigated agriculture to reduce the impact of unreliable rainfall. Focus on commercialization. Work with the cooperative sector to find good markets for farmers produce. Encourage multiple providers especially in the private sector to deliver extension services. Development partners under the umbrella of KJAS are still keen to fund agricultural programs to avert food shortages.	Unpredictable mergers and split in ministries including transfer of functions. Corruption, high staff turnover, conflicting policies and Government restriction on recruitment of technical staff. Non-tariff barriers to trade. Lack of land use policy. Unfavorable macro-economic environment. Low adoption rates of technology by farmers. Inefficient markets and unfavourable domestic and external prices make agricultural enterprises unprofitable. Parastatals do not deliver services commensurate with resources absorbed. Vagaries of the weather and adverse effects of climate change.

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Livestock Development (MOLD) and parastatals (CAIS, KDB, KMC)	Well trained and experienced staff with clearly defined responsibilities in each department. Availability of basic infrastructure. Availability of animal genetic lines. Goodwill from policy makers. Linkages with local, regional and international research and development institutions. Good rapport with stakeholders. Has the Kenya National Dairy Master Plan (including Action Plan and Implementation Strategy) that identifies possible interventions and investments in the short, medium and long term scenarios.	Low staffing levels. Inadequate and obsolete technology. Weak communication network between and within technical and support service departments. Inadequate transport facilities, tools and equipment. Low staff morale arising from poor terms and conditions of service. Scattered organizational locations. Ageing technical staff and poor succession management. Inadequate capacity in project cycle management, quality assurance and emergency preparedness. Weak policy and legal framework. Inadequate management information systems.	Increase exploitation of livestock resources. Improve access to local, regional and international markets. Availability of new bio-technologies. Use linkages with regional and international organizations in finance, trade, research and training. Existence of a strong private sector involved in processing and value addition. Improve networking with other ministries.	Low funding. Embargo on recruitment of technical staff. Insecurity in livestock producing areas. Prevalence of livestock diseases, pests and predators encroachment of crop farming and settlement on grazing land. Unfair trade practices. Environmental degradation, natural calamities and trans-boundary conflicts. HIV/AIDS. Over-exploitation of some resources. Corruption
Ministry of Fisheries Development and The Kenya Marine and Fisheries Research Institute (KMFRI)	Promotes and facilitates development and management of fisheries sub-sector; has a strategic plan 2008-2012; identified policy priorities (e.g. Sustainable aquaculture development; Promotion of fish safety and quality assurance, investment, value addition and marketing; and established collaborative linkages with key stakeholders;	Marginalized or given low priority by policy makers, frequent movement from one ministry to another leads to lack of continuity and stability.	Forged linkages with Moi University - capacity building and research; Lake Basin Development Authority (LBDA); University of Nairobi (UoN); Lake Victoria Fisheries Organization and several United Nations Agencies involved in fisheries.	Prevalent fish diseases

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Cooperative Development and Marketing (MOCDM) including Cooperative College and Cooperative Alliance of Kenya	The Ministry has developed various intervention tools that include Cooperative Development Policy, the Ministry's Strategic Plan 2008 – 2012 and other specific strategies including this Cooperative Marketing Strategy 2009-2013. National institutions exist in the country to support the cooperative movement. The MOCDM is prepared to reduce its grip on the cooperative movement under the new Cooperative Societies Act (2004), and allow autonomy to strong and viable societies. The MOCDM oversees the operations of financially strong Savings and Credit Societies (SACCOs). The Cooperative Bank has infrastructure for channeling investment funds to farmers. The Cooperative College has a growing potential for capacity building services. Has strong cooperative organization like the Kenya cooperative creameries (KCC). Diversity of Technical and professional staff.	Historical burden of interference in and disruption of the functioning of cooperatives. Poor governance record among cooperatives, lack of capacity to do proper business and lack of finances. Lack of financial discipline resulting in pleas to write off debts. Weak coordination between the production ministries (MOA, MOLD) and the marketing ministry. Overlaps in departmental functions in the Ministry. Low professional levels amongst cooperatives leaders and managers. Poor processing/packaging and branding within the sector. Lack of credible data for marketing and management purposes in the sector. Poor collaboration and networking within the ministry and amongst the cooperatives. Poor organization of the Ministry. Inadequate resources in the sector. Lack of marketing strategies. Inadequate capacity especially in ICT. Poor attitude in the entire sector including the ministry. Inadequate marketing skills.	Make the cooperative movement robust and accountable through a focused strategy and plan of action. Reduce political influence within the movement. Initiate policies towards privatization. Enhance cooperation with the production sectors. Huge market potential in the local, regional as well as the global market. Strategic geographical location, gate way to and from the East African region favors the cooperative movement. The revival of the Kenya National Federation of Cooperatives and New KCC. The Kenya Vision 2030. Emergence of new markets in Fair and Organic Trade.	Political interference in the management and operation of the societies and markets. Uncertain political climate, consumer preference for imported products. Divisions in cooperative societies. Adverse climate change. Unfair competition. Resistance to change in the ministry and the cooperative movement. High debts in some cooperatives. Collapse of cooperative institutions. Spiraling inflation and collapse of global markets. Stringent global market requirements e.g. EURO-Gap Certification. Negative attitude towards cooperatives. Poor infrastructure. Unfavorable tax regime. Aging membership in the farming cooperative societies.

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Environment and Mineral Resources (MEMR) and subsidiary institutions (NEMA, KEFRI, Kenya Meteorological Training College, Lake Victoria Environment Management Programme (LVEMP))	An Environmental Management Coordination Act, environment policy and a Forest Development Policy, geared to transforming the forestry service. Has infrastructure such as gazetted forests, plantations, tree nurseries. Has a forestry research institution (KEFRI) and Kenya Forest Service (KFS), and support from international organizations such as ICRAF and UNEP. An institutional structure comprising of specialized technical departments and SAGA(s), a team of qualified and experienced staff. Support from NGOs. NEMA has the legal basis to address environmental issues such as industrial pollution, solid waste management, and natural resources conservation. NEMA has a coordination authority over agencies mandated to manage the environment.	Although there is a Forest Act 2005, the MENR operates within a weak policy and legal framework on environment and natural resources management. Low budgetary allocations, under-staffing, weak monitoring and evaluation mechanisms, weak enforcement of rules and regulations, weak information sharing framework, and weak and unsustainable partnerships with stakeholders. Forestry issues are erroneously made synonymous with environmental issues. Inadequate information, technology, capacity and resources for management of environment and natural resources. Returns from environmental programmes are usually long-term and adoption is often low.	Large mineral and other natural resources base for utilization, large markets for minerals and other natural resources domestically, regionally and even internationally. Strengthen NEMA to enable it to better enforce standards and assist the operationalization of the Kenya Forest Service. Implement the Forest Act 2005 and enhance community management of forests. Prepare a strategic plan that can attract additional funds. Mainstream environmental concerns into projects and programmes.	Political interference and uncertain political will for environmental conservation, high staff turnover, natural calamities like droughts and floods; corruption, conflicting government policies and legislations and poor environmental governance. Unchecked environmental degradation, loss of biodiversity and unsustainable exploitation of natural resources due to vested interests. Funding availability does not match large resource requirements of environmental programmes.

Organization	Strengths	Weaknesses	Opportunities	Threats
<p>Ministry of Water Resources and Irrigation (MWI) and the water institutions.</p>	<p>The Water Act (2002), national sector policy (Water policy 2007) and Water Sector Investment Plan give direction to reform and investment in the sector. Advanced restructuring to provide services more efficiently and effectively, through Water Services Boards, Water Resources Management Authority, Water Services Regulatory Board and Water Appeal Board. These institutions are moving the sector from government domination to stakeholder management and control. They have a legal mandate to operate in their areas of jurisdiction. The water policy also underscores the importance of rainwater harvesting as well as water conservation. It staff with the necessary competences for providing the policy, coordination as well as for resource mobilization.</p>	<p>The essence of the Reforms has not been internalized in most sections of the Ministry. It lacks an irrigation policy as well as a land reclamation policy. The lack of these instruments hampers effective planning and implementation of irrigation and land reclamation programmes. The data and information system has not been harmonized and Monitoring and Evaluation System is weak. There is a lack of effective Information, Education, and Communication (IEC) Strategy. Low Capacities in the newly created institutions. There is shortage of staff and/or skills in some areas in the Ministry, particularly for land reclamation activities and water quality assurance. There has been poor succession planning in some sections. Inadequate resources at the district level. Cross cutting issues such as gender, HIV, have not been given the deserved attention.</p>	<p>Work with DPs to secure resources for capital investment. Promote community management of water facilities. Seek funding in order to expand irrigation of high value crops. Make it more attractive for the private sector to invest in water projects. Adoption of available appropriate indigenous water harvesting/storage technologies may lead to reduce dependence on expensive foreign technologies. The existing EMCA and regulations relating to discharge of effluents has eased pressure on the Ministry's resources for sanitation services. There are many non-state actors in the provision of water services whose resources complement its resources in the provision of water services.</p>	<p>Inadequate resource allocation. Political interference in access and water rights. Weak management capacities. Continued human settlements in water catchment areas and destruction of forests have led to depletion of water resources. Weak measures for ensuring equitable access to irrigated land by poor and vulnerable households, women and youth. Lack of a harmonized national framework for the management of water resources, including their sources, limits the Ministry's capacity to fully play its leadership role in the sector. Unwillingness by some local authorities to implement some aspects of the on-going water reforms. Lack of cooperative frameworks for the management of shared waters in the region hinders proper planning for the affected water resources.</p>



Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Lands (MOL)	The MOL has qualified technical staff, including at district level, to plan, survey, adjudicate land and resolve disputes. Has a land policy (2010) to improve the land administration and address issues of fragmentation, disparities in land ownership, deterioration in land quality, squatting and landlessness, disinheritance of some groups and individuals, under-utilization and abandonment of agricultural land, tenure insecurity and conflict.	Operated without land policy for a long period. Continued vested interests and conflict in land issues - "land matters are sensitive." Need to transform the staff complement to become more transparent and accountable. Parallel and illegal practices including fake land sales and legal land documents. Although being developed there is still a lack of legal framework for the land policy and there is a need for developing implementation capacity especially at the County and community levels. While there is a Land Policy a Land Use Planning Policy is still being developed.	Operationalize the land policy that is acceptable to all stakeholders, with particular attention to women and youth's rights. Create strong decentralized and community-based institutions to oversee the management and utilization of land. Resolve pending cases of land issues - grabbed land and administration of group-owned land. Reorient staff to work for the common good.	Political interference and ethnic conflict. Powerful vested interests by landed elites. Conflicts in land use practices, e.g. environmental conservation vs. forest excisions and cultivation on steep slopes; human-wildlife conflicts.

Organization	Strengths	Weaknesses	Opportunities	Threats
<p>Ministry of Forestry and Wildlife, Kenya Forestry Research Institute (KEFRI); Kenya Forest Service (KFS)</p>	<p>Has Forest policy 2007, Forest Act 2005; Wildlife Conservation Policy; Wildlife Strategic Plan 2008-2012; Bio-Prospecting Strategy; KEFRI; Development of Forests and Reafforestation, and Water Catchment Area Conservation through projects like National Forest Programme, <i>MitiMingi Maisha Bora</i> and Green Zones Development Support. Unique wildlife resources and landscapes, well established and defined wildlife protection units and community programmes, good infrastructure in protected areas, committed and competent workforce. Promotion of sustainable forest conservation through recognition and establishment of Community Forest Associations.</p>	<p>Lack of proper information on the quantity and quality of biological assets. Lack of incentive schemes to recognize exceptional performance, incomplete synergy between departments. Over reliance on external tourism which is not helped by seasonality and low pricing and incomplete biodiversity inventory. Weak monitoring and evaluation mechanism. Face obstacles to tree planting in ASALs. Inadequate use and application of Information Communications Technology coupled with inadequate financial resources and inadequate marketing and research.</p>	<p>Government and community support, investment opportunities in wildlife tour products and services abound including unexploited parks and reserves. Furthermore KWS has excellent training, research and education facilities, coupled with supportive MOUs with other institutions which should be exploited for the benefit of the organization. The expected review of policy and legislation will create a platform for greater and clearer collaboration with various players in wildlife management including those involved in bio-prospecting. Existence of international institutions like UNEP, UNDP and World Agro-Forestry centre/ICRAF</p>	<p>Competing demand for land and weak governance. General insecurity in some parts of the country resulting largely from the influx of illegal weapons. Poaching and human / wildlife conflicts, as well as illegal trade in wildlife products. Environmental degradation and encroachment in protected areas as a result of poverty and other socio-economic inequities poses problem. Global climatic changes, regional and local political instability. Diminishing conservation areas, high community support expectations, poor road infrastructure and decreased funding from Treasury.</p>

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Regional Development Authorities (MORDA) With Authorities like <sup>3</sup> TARDA, KVDA, LBDA, ENNDA, ENSDA and CDA	Regional Authorities Development Policy 2007. Strategic Plan 2008-2012; Oversight, Management, capacity building and Development support for Regional Development Authorities. Services provided by experienced, qualified, dedicated, and well-equipped staff from six departments. Achieved the coveted ISO 9001:2008 certification in 2008; focus on community empowerment. Financial Support from the Government and development partners. Existence of well-established RDAs countrywide with clear legal mandates for integrated Regional Development. Demand for balanced and equitable Regional Development Improved Public Sector Reform Initiatives.	Inadequate monitoring and evaluation capacity in the Ministry and RDAs. Regional Development Policy not well aligned with the existing legal framework and needs review. Slow restructuring and revitalization of the RDAs. Weak IT infrastructure.	Abundant natural resources for integrated development. Opportunities for investments and wealth creation through RDAs. Existence of Public Private Partnership policy. Support from development partners. Availability of devolved funds to support regional development programmes.	Overlapping and conflicting mandates among Government ministries. Trans-boundary natural resource issues/conflicts. High poverty levels in the regions under various RDAs' jurisdiction. Land tenure systems that are not supportive of effective development and management interventions. Resource-use conflicts in the RDAs area of jurisdiction. High prevalence of HIV/Aids Low funding Environmental degradation.

<sup>3</sup>(Tana and Athi Rivers Development Authority (TARDA). Kerio Valley Development Authority (KVDA). Lake Basin Development Authority (LBDA). Ewaso-Nyiro North Development Authority (ENNDA). Ewaso-Nyiro South Development Authority (ENSDA).

Organization	Strengths	Weaknesses	Opportunities	Threats
Office of the Prime Minister: Ministry of State for the Development of Northern Kenya and Other Arid Areas	Created in April 2008 to enhance development of neglected areas that cover more than 80% of the country and are home to about 10 million people and approximately 70% of the national livestock herd. Has established an ASAL Secretariat to lead and steer the process of harmonisation, alignment and coordination of development in Northern Kenya. National Policy for the Sustainable Development of Northern Kenya and other Arid Lands (2011). Focuses on agricultural/livestock, irrigation and tourism development and natural resources management. Has several projects like Northern Kenya Investment Fund; Arid Lands Resource Management Project and Hunger safety net. The Ministry through the DSGs has established partnerships and networks with various stakeholders and this can be harnessed for the good of the people.	It is relatively still new and may have not gained concrete experience and grasped critical issues on the ground. Persistence of livestock raiding & inter-communal violence in the ASALs. Inadequate security infrastructure. Limited presence of the formal judicial system Lack of a regional framework to manage cross-border conflict. Over-reliance on the ALRMP II that ended in 2010, for coordinating and spearheading development at the district level. Low levels of staffing. Lack of technical staff to spearhead development initiatives of the ministry.	Goodwill from government to develop the region. Cognizance by the government that Kenya will not achieve sustainable growth if huge resources of northern Kenya and other arid lands remain undeveloped. Goodwill from development partners and stakeholders. Development Partner (e.g. UN Agencies, JICA) interest in developing the areas Collaboration with other ministries and departments. Existence of many NGOs and CBOs that the Ministry can work with in the region.	Lack of good understanding of northern Kenya and other arid lands livelihood systems by policy makers and implementers. Low economic clout of communities in northern Kenya and other arid lands. High dependency on livestock for livelihood. Low literacy levels. High dependency on aid. Difficult terrain. Perennial inter-tribal/clan conflicts. High poverty levels that may impede participation of local communities in economic development. Reliance on other ministries and agencies that have their own priorities and performance contracts in implementing development programmes in the region. Drought-prone environments.

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Gender, Children And Social Development(MGCSD)	MGCS D has a strategic plan (2008-2012). Existence of operational service guidelines, policies and regulations. Expertise on gender and children matters. Decentralized services. National Gender/Children Database. Existence of Gender and Social Development Committees and Area Advisory Councils. Establishment of Women Enterprise Fund. Government emphasis on transparency and accountability. Government adoption of Results Based Management. Gender and Children friendly policies guidelines. Reforms in the legal sector Collaboration at community level. Increased budgetary allocation for cash transfers for OVC's. Mandate for registration and capacity building of local groups. Insists on gender mainstreaming in forestry.	Recently established (2008). Staffing levels at the headquarters, provincial and district levels are low; most districts have one or two staff members with limited effectiveness. The ministry is not adequately funded possibly due to lack of a clear policy to direct its mandate and functions. Local Authorities used to provide grassroots staff in the form of Community Development Assistants. These staff have since been withdrawn due to lack of finance. Inadequate schemes of service. Inadequate policy and legislative framework. Inadequate skills for changing circumstances. Inadequate ICT infrastructure in field stations. Lack of research and inadequate data on gender and children. Inadequate decentralization of decision making. Inadequate coordination, Monitoring and Evaluation mechanism in the ministry. Slow disbursement of Women Enterprise Fund. Weak inter and intra-departmental linkages.	Put into action a clear strategic plan that can attract additional funds. Use the goodwill of government to implement pro-women initiatives, e.g. affirmative action, and lead in the mainstreaming of gender matters in public and private institutions. Re-employ Community Development Assistants for grassroots service delivery. Potential for partnership. Existence of Charitable Institutions. Decentralized training institutions. Political goodwill Goodwill from development partners. Existence of local committees.	Uncertain political environment resulting in frequent reorganization of Government functions. Interference emanating from donor funded projects/programmes. HIV/AIDS pandemic. Breakdown of social values and structures leading to increased child abuse and Gender Based Violence. Kenya has many cultures that are diverse and difficult to manage. Harmful cultural practices e.g. female circumcision, early marriages Rising numbers of orphaned and vulnerable children due to diseases like HIV and AIDS, malaria and natural calamities.. Lack of adequate resources to improve its capacity. Limited capacity to support groups at field level.
Farmers' Organizations (producer groups, commodity organizations, KENFAP)	Common goal to deliver services and represent farmers' interests from grassroots to national level. Ability to organize inputs distribution, sale of produce, take loans, advocate for favourable policies. Ability to provide extension services to the members. Established network structures from grassroots to national level. Willingness by leaders to offer voluntary services.	Often weak management skills and lack of strategic plans and cohesiveness. Limited personnel especially at lower levels and limited financial resources. Not always adequate farmer representation. General low level of organization at producer level.	Potential to represent farmers' interests and influence policy at national level. Vehicles for improved service delivery to farmers. May play advocacy and lobby roles if leadership is properly trained.	Poor management and lack of cohesion can lead to collapse of projects and facilities. Sometimes prone to political interference.

Organization	Strengths	Weaknesses	Opportunities	Threats
Research Institutions (e.g. Tegemeo, KIPRA, Universities like Nairobi, Kenyatta, JKUAT, Egerton and Moi)	Reasonable complement of researchers and research infrastructure, with wide experience in the agricultural sector and macro/institutional issues. Institutional linkages with other universities and research institutions. Independence in analysis and presentation of critical views and advice. Priority in government policy questions (KIPRA). Development Partner support.	Limited resources reduce the ability to carry out research and make it funds-driven. Limited dissemination of findings and follow-up on implementation of recommendations. Limited collaboration with other institutions in the agricultural sector. KIPRA is rather closely associated with the government agenda. Research not always linked to the needs and priorities of the rural poor. Some universities experience reduced ability to attract highly qualified staff partly due to their rural location.	Potential for collaborative research aimed at influencing agricultural policies. Potential in contributing to implementation of the ASDS. Scope for collaboration with other organizations in the private sector to improve the relevance and acceptability of policy findings.	Partial dependence on donor funding for activities - competition for resources. Risk that unpopular recommendations are not followed up, especially by government. Political interference. Competition for resources can undermine opportunities for collaboration.
Rural Financial Institutions (e.g. K-rep bank, Equity Bank, KWFT, Faulu)	Long experience with financing micro-enterprises in the country. High level of entrepreneurial staff to support operations and clients. Significant outreach, sometimes with country wide offices especially in MHP areas. Have experienced significant growth.	Have generally failed to finance agricultural production and have specialized in supporting traders. Product characteristics, such as high interest rates and strict repayment schedules, often unsuitable for agriculture. Sometimes one-sided focus on loan recovery rather than client performance. Slow processing of applications.	Could share their experience with other institutions willing to assist in savings mobilization or to finance smallholders and informal traders. Potential to finance agricultural marketing, especially produce with a short production cycle and high value. Potential to replicate successful experiences in other areas.	Increasing outreach further into rural areas means higher cost of operations. Productivity under smallholder conditions is subject to rainfall patterns, increasing risk.

Organization	Strengths	Weaknesses	Opportunities	Threats
<p>Food and Agricultural Research Management (FARM) Africa</p>	<p>Started its work in Kenya since 1985 and in 1986 had its first project in Northern Kenya known as the Pastoralists Development Project (PDP). Focuses on: Pastoral development; Forestry/Agroforestry; Smallholder development; Community participatory planning and research; capacity building; Building partnership with other organizations; Dissemination and advocacy. Has formed a number of networks including the East African Goat Development Network (EAGODEN), Kenya Goat Development Network (KEGODEN) and Community Animal Health Network (CAHNET). Charged with the task of managing a regional challenge fund (MATF) funded by the Gatsby and Rockefeller Foundations and is currently implementing the fourth phase of this fund. Has several projects focusing on women and youth empowerment.</p>	<p>Limited staff capacity may limit the extent of their outreach to all target areas.</p>	<p>Collaborates with local and international organizations. Capable of mobilizing funds through various sources.</p>	<p>Work in areas that are prone or vulnerable to droughts and floods; poverty-ridden areas with un-developed infrastructure.</p>

Organization	Strengths	Weaknesses	Opportunities	Threats
<p>Participatory Ecological Land-Use Management (PELUM) Association – PELUM Kenya</p>	<p>Strategic Plan (2010-2014); effective, efficient and committed secretariat and the National Board; existence of diverse, growing active membership; Good will and support from host organization– SACDEP-Kenya; Conducive work environment at the Country Desk; established and operational working systems and policies i.e. the Finance Manual and Personnel Manuals; strong and functional organizational structures e.g. the National Board, Annual General Meeting etc.; sharing of best practices among members and stakeholders e.g. carrying out exchange visits. Visibility and recognition in advocacy issues- PELUM-Kenya is active in anti-GMO campaign, Fair trade, EPAs, etc.</p>	<p>Inadequate response to the pastoral communities and small scale farmers in coastal areas on issues affecting them; insufficient follow up with members in strengthening linkages; inadequate office space, land for demonstrations on ecological land use practices and management; low adoption of “<i>elum</i>” coverage; high donor dependence; low linkage strategies with media. Insufficient partnerships with Media house hence a challenge in effective media campaigns. Inadequate policies addressing HIV and AIDS in the workplace, motor vehicle and gender Inadequate M &amp; E systems. Inadequate resources e.g. funds, human capacity, organizational capacities to handle emerging global issues of unfair trade, bio-fuels, climate change etc. . No clear resource mobilization strategy. No clear strategy to mainstream agri-business in development.</p>	<p>Existence of like-minded networks that support <i>elum</i> issues. Willingness of development partners to support PELUM-Kenya activities. Public demand for service delivery and respect for community rights. This is due to the increased awareness by public on their rights and obligations of the government and other service providers. Existence of information from the world wide web and use of ICTs. Growing global interests to promote farmer rights. Growing recognition and respect of indigenous and local knowledge. Shift in food habits from processed to unprocessed foods. Global focus in poverty eradication and wealth creation strategies in the Millennium Development Goals (MDGs) and Vision 2030. Political willingness to address environmental matters.</p>	<p>Climate change and its implications to land use and communities. Promotion of fuel crops (Agro fuel) possesses a potential threat to <i>elum</i> which promotes food crops. HIV and AIDS, drug and substance abuse and its impact on rural livelihoods. Political instability and poor governance that promotes negative ethnicity and misuse of public resources. Prevailing global financial crisis. Growing influence by multinational companies. High inflation and unfair trading practices which affects the purchasing power of the communities, transportation, fuel price etc. Shifting donor interests from the current development agenda to emerging trends. Inadequate reinforcement of laws on protection of Intellectual Property Rights (IPR). Poor infrastructure e.g. roads, railway. Limited investments in rural areas where people are more vulnerable and poor. Some unfavorable laws to protect small scale farmers and poor land policies.</p>



Organization	Strengths	Weaknesses	Opportunities	Threats
NGOs (e.g. CARE Kenya, KWFT, TechnoServe, Oxfam-Kenya, Action Aid, PRIDE, Catholic Relief Services -CRS and World Vision)	Specific experience with poverty reduction, commercialization of smallholder agriculture. Closer to the private sector and small enterprises with potential for growth. Capacity to organize smallholders, assists with production and marketing for high value marketing chains, and link to external resources. Well placed to play advocacy role including addressing gender disparities. CARE International Kenya carries out significant initiatives in Civil Society Organizational Strengthening, Environmental services and Livelihoods. Its priority regions are Nyanza Province (with a sub-office in Kisumu), Kibera in Nairobi and North Eastern Province (with sub-offices in Garissa, Dadaab, Elwak and Marsabit). CARE's Climate Change Response aims to empower poor and marginalized people to take action on climate change at all levels and to build knowledge for global change. Its themes focus on global policy engagement, adaptation, making carbon finance work for poor and marginalized people and organizational change. CRS promotes microfinance and agriculture.	Limited staff capacity. Projects are often localized mainly with demonstration purposes and limited outreach. Dependency on limited short-medium term donor funding.	Capacity to develop and disseminate appropriate technologies. Capacity to train government and other staff in specific areas of expertise, such as participatory methods and farmer organization. Potential vehicle for establishing and strengthening producer groups. Potential to introduce and test pilot activities that can be replicated under IFAD/GOK programmes.	Reliance on NGOs with limited capacity and changing focus based on donor funding and priorities may adversely affect implementation. Risk of limited local capacity building and creating dependency on NGO services, with subsequent lack of sustainability.

Organization	Strengths	Weaknesses	Opportunities	Threats
Private Sector Operators (stockists, traders, processors, manufacturers)	Extensive networks in MHP areas located close to farmers. Advice on inputs is highly regarded by smallholders. Often experienced persons with facilities instrumental in transferring produce from producers to market outlets. Good understanding of demand and supply situation.	Have limited technical knowledge and sometimes pass distorted messages to farmers. Storage and retail facilities can be of poor quality. Products and services offered are more profit-based than based on farmers' needs. Multiple levels of operators add to cost of inputs and produce. Monopolize market information and pay minimum prices to farmers. Ad hoc and unreliable trade relations dominate. Varying interest in and adherence to quality standards.	Meet high demand for quality inputs. Complement reduced government service delivery by passing technical advice and product information through the supply chains. Improve stocking and reduce cost of products in line with farmers' needs. More efficient marketing arrangements to reduce cost and improve quality. Reduce number of actors in the supply chains. Improved payments to farmers can lead to increased production.	Cases of sale of illegal or ineffective products. Business competition has the risk of introducing biased information to farmers. Resistance of cartels and dominance of short-term profit interests. Inadequate rural infrastructure limiting improved trade practices.
Industry representative bodies (e.g. AAK, FPEAK, STAK)	Representative bodies, knowledgeable regarding the concerns and priorities of their members, who play important roles in the agricultural sector. Contributing to training and public awareness campaigns. Initiatives on quality control and accreditation systems. Contributing to review of agricultural policies and legislation. Conversant with international standards.	Small outfits with limited resources and capacity, for example for training initiatives. Development issues are not the first priority of the industry, priority is (sometimes one-sided) representation of members' interests. Limited experience and involvement with smallholder producers.	Potential to make more relevant products available to smallholder producers. Support role in capacity building and accreditation for distribution, storage, handling and use of inputs. Potential channel to, for example, disseminate study findings or draw attention to specific needs of smallholders. Capacity to give farmers a wider choice of inputs. Well organized channels for communication with substantial numbers input suppliers, processors and exporters. Members control substantial investment funds.	Possibility of domination by one or a few large members. Regulations tend to favour imports over local manufacturers, through multiple testing and registration requirements. Focus on the interests of industry, which do not always coincide with the interests of smallholder farmers. Changing laws, procedures and preferences related to export products.

### Key file 3: Complementary donor initiative/partnership potential

Agency	Priority Sectors and Areas of Focus	Period of Current Country Strategy	Complementarity/Synergy Potential
African Development Bank (AfDB)	Improved livelihoods for vulnerable groups through agriculture (e.g. livestock, horticulture and farm improvement) and environmental management as well as skills development for enhancing employability. Also pays attention to infrastructure development e.g. national roads, electricity, safe water, water resources management, women enterprise support and community empowerment)	Country Strategy Paper 2008-2012  KJAS 2007-2012 partner	The third COSOP period will be characterized by increasing harmonization among Development Partners (DPs) supporting the ASDS, CAADP and the Horn of Africa Initiative. Partners may include World Bank, UN Agencies, JICA, USAID, AfDB and DANIDA. The complementarity and synergy potential in the sector is high for the coming years in support of AgSWAp.
Denmark (DANIDA)	Agriculture: <i>Agricultural Sector Programme Support (ASPS, ASAL areas)</i> . Water and Sanitation. Private Sector Development. Health. Environment. Business development and good governance	Danish Country Strategy for Kenya 2005-2009 (edited December 2010) KJAS 2007-2012 partner	
European Commission /EU	Agriculture: <i>Pesticides Initiative Programme; Kenya Agricultural Research Programme for Arid and Semi-Arid Lands; Implementation of a fisheries management plan for Lake Victoria; Strengthening Fishery Product Health Conditions in ACP/OCT countries; Rural Poverty Reduction and Local Government Support Programme</i> . Environment. <i>Community Development for Environmental Management Programme</i> . Roads and Transportation.	Country Strategy Paper and Indicative Programme 2008-2013 KJAS 2007-2012 partner	At the strategic level, this will be achieved by using the KJAS, agreed between a majority of donors and the GOK, as a common strategy document that will provide general guidance on the development priorities to be supported.
Germany (DED, GTZ, KfW)	Agriculture: <i>Private Sector Development in Agriculture (PSDA), MHP areas</i> . Water and Sanitation: <i>Smallholder Irrigation Programme Mt. Kenya Region</i> . Health. Advice to SMEs and farmer associations to boost productivity, better exploitation of their markets, sustainable natural resources management and climate change issues	2010-2013 Strategy for Kenya KJAS 2007-2012 partner	At the operational level, the new ASDS and the Code of Conduct for the agricultural sector will provide a practical framework for the alignment of existing and development of new DP-supported interventions. As has already been the case, the agricultural DP sector group/ Thematic Working Group and its dialogue with government will be the platform used by DPs to share experience and harmonize activities, gradually moving towards a mix of better coordinated projects and programmes, basket funding and SWAp arrangements.
Japan (JICA)	Agriculture: <i>Smallholder Horticulture Empowerment Project (SHEMP, 4 districts); Community Agricultural Development Project in Semi-Arid Lands (CADSAL)</i> . Water and Sanitation: <i>Sustainable Smallholder Irrigation Development and Management in Central and Southern Kenya (SIDEMAN)</i> . Roads and Transportation. Land. Private Sector Development. Education. Health. Environment. Economic Infrastructure Development, Water, and Programme for Capacity Development for Poverty Reduction (African institute for Capacity Development – AICAD 2000-2012)	Annual country strategies. KJAS 2007-2012 partner	
Sweden (Sida)	Promotion of democratic governance lies at the center of all activities under the Sida strategy and links with governance are emphasized throughout the four programme areas: democratic governance, pro-poor growth, social development and sustainable natural resources. Agriculture: <i>National Agriculture and Livestock Extension Programme (NALEP-II), national</i> . Water and Sanitation. Land. Women enterprises support and community empowerment	SIDA Country Strategy 2009-2013  KJAS 2007-2012 partner (new country strategy as Annex to KJAS)	More specifically, ongoing and new IFAD-supported interventions have a strong synergy potential with the following operations supported by other donors: (i) World Bank agricultural projects like :Enhancing Agricultural

Agency	Priority Sectors and Areas of Focus	Period of Current Country Strategy	Complementarity/Synergy Potential
United Kingdom (DFID)	<p><b>wealth creation:</b> supporting market development, access to finance and regional trade integration – to create 250,000 additional jobs for men and women</p> <p>•<b>climate change:</b> building resilience and supporting low carbon growth – to reduce losses from extreme climate events by 0.5% of Gross Domestic Product •</p> <p><b>governance and security:</b> supporting police and service delivery reforms and stronger accountability • <b>health:</b> providing bednets, maternal health and family planning services • <b>education:</b> supporting schools in hard-to-reach slums and arid lands, and better teacher management –•<b>hunger and vulnerability:</b> providing cash transfers and investments in the arid lands</p> <p>•<b>humanitarian emergency:</b> providing funds and supporting new policies • <b>supporting girls:</b> building the assets, health and education of adolescent girls –. This builds on the gender focus that runs throughout the Kenya programme, targeting our health, education and wealth investments on the same girls.</p>	<p>DFID Operational Plan for Kenya 2011-2015</p> <p>KJAS 2007-2012 partner</p>	<p>Productivity Project for Kenya; The Kenya Agricultural Productivity and Sustainable Land Management Project (KAPSLMP) and The Kenya Agricultural Productivity and Sustainable Land Management Project (KAPSLMP), among others.</p> <p>(ii) USAID ` projects like Farmer to Farmer and KDDP complementarity in particular for EPHTFCP and SDCP;</p> <p>(iii) FAO' project on Sustainable Intensification of Crop Production and Increased Sustainable Livestock Production, complementarity for EPHTFCP and SDCP;</p> <p>(iv) JICA's AICAD supports smallholders in promoting agribusiness skills and value addition on agricultural products as well as community empowerment. This enhances IFAD's approaches to capacity development of producer organizations;</p> <p>(v) GTZ also focus on issues related to climate change that future IFAD projects/programmes will have to pay attention to.</p> <p>The Belgian Survival Fund (BSF) co-finances the CKDAP and the GEF co-financed the MKEPP replaced by UTaNRMP.</p>
United States (USAID)	<p>Agriculture: Farmer-to-Farmer Programme (2009-2013) (Feed the Future) focuses on oil seed, grain crops and horticulture. Financial Inclusion for Rural Micro-Enterprises (FIRM).<i>Kenya Maize Development Program; Kenya Dairy Development Program; Kenya Dairy Sector Competitiveness (KDSC) Programme; Kenya Horticulture Development Program (selected MHP areas); Kenya Dry lands Livestock Development Programme and Partnership for Safe Poultry. Water and Sanitation. Private Sector Development: Kenya Business Development Services (KBDS, supporting agriculture), Microenterprise Development. Governance, Education. Health. Environment. Biodiversity management through nature conservation and eco-tourism.</i></p>	<p>Kenya's Feed the Future (FTF) 2011-2015 strategy targeting MHP and Semi-Arid areas.</p> <p>KJAS 2007-2012 partner</p>	<p>The Belgian Survival Fund (BSF) co-finances the CKDAP and the GEF co-financed the MKEPP replaced by UTaNRMP.</p>
United Nations Agencies	<p>Operate under UNDAF and is based on three priority areas namely: Improving Governance and realization of human rights; Empowering people who are poor and reducing disparities and vulnerabilities; Promoting sustainable and equitable economic growth for poverty</p>	<p>UNDAF 2009-2013 (rooted in Vision 2030)</p> <p>KJAS 2007-2012 partner</p>	

	<p>and hunger reduction with a focus on vulnerable groups.</p> <p>Additionally, the UNDAF focuses on four cross-cutting themes: gender equality; HIV/AIDS; migration and displacement and climate change.</p> <p>FAO: Sustainable Intensification of Crop Production (e.g. Conservation and management of Pollinators...2009-2013; Improved Community Drought Response and Resilience (ICDRR) 2011-2015); Increased Sustainable Livestock Production (e.g. ICDRR 2011-2015 and Improved Food Security, Livelihoods, resilience of Vulnerable Pastoral Communities in the Greater Horn of Africa through Pastoral Field School Approach- 2011-2013); Sustainable Management and Use of Fisheries and Aquaculture Resources (e.g. Support to Capacity Building to Promote Formal Marketing of Fish and Fish Products from and within the Horn of Africa – 2011-2013; and South West Indian Ocean Fisheries Project – 2009-2014); Sustainable Management of Land, Water and Genetic Resources and Improved Response to Global Environment (e.g. ICDRR 2011-2015; and Support to Pastoral and Agro-Pastoral Communities affected by the effects of Drought 2011-2012); Enabling Environment for Markets to improve Livelihoods (e.g. Agribusiness Support to Smallholders 2010-2012 and Regional initiative to support Vulnerable Pastoralists in the Horn of Africa 2010-2013) and Improved Food Security and Better Nutrition 2011-2014.</p> <p>UNEP: Environment. UNICEF: Water and Sanitation, Education, Health. UN-Habitat: Land, Environment. UNDP: Energy, Empowering women and youth in micro-enterprise, Good governance, Supporting recovery of livelihoods for resilient communities, Enhancing Progress in Attainment of MDGs and Environment. UNESCO: Education, Environment.</p>		
World Bank	<p>Agriculture: <b>Enhancing Agricultural Productivity Project for Kenya</b> (since March 2010). The objective of the project is to assist GOK to increase access to agricultural inputs and technologies among targeted smallholder farmers in selected districts. There are four</p>	Country Assistance Strategy 2010 – 2013 KJAS 200—2012 Partner	

	<p>components to the project, the first component being up-scaling the existing agricultural credit programme (<i>Kilimo Biashara</i>). The project will build on the partnerships already established between the Government, International Fund for Agricultural Development (<b>IFAD</b>), Alliance for Green Revolution in Africa (AGRA), and Equity Bank to leverage additional credit and scale up loans to farmers. The second component is the up scaling the existing input voucher scheme (<i>Kilimo Plus</i>) in selected districts through the Government's National Accelerated Agricultural Inputs Access Program (NAAIAP). The third component is the up-scaling of the orphan crop programme. This component will focus on supplying planting materials of orphan crops to smallholder farmers in semi-arid areas. This will involve promoting farmer involvement in seed bulking and multiplication of orphan and other crops, including sorghum, cassava and millet.</p> <p><b>The Kenya Agricultural Productivity and Sustainable Land Management Project (KAPSLMP)</b> (since Sept. 2010); <b>Kenya Agricultural Carbon Project</b> (since Nov.2010); <b>Kenya: Adaptation to Climate Change in Arid and Semi-Arid Lands (KACCAL)</b> (since June 2010)</p> <p>Kenya Agricultural Productivity and Agribusiness Project (since June 2009) and Micro, Small and Medium Enterprise Competitiveness Project (since July 2004). Other projects focus on Water and Sanitation. Roads and Transportation. Land, Education and Health.</p>		
International Fertilizer Development Centre (IFDC)	<p>Is a public international organization addressing critical issues such as international food security, the alleviation of global hunger and poverty, environmental protection and the promotion of economic development and self-sufficiency. IFDC focuses on increasing productivity across the agricultural value chain in developing countries. Recent IFDC Kenya projects include Accelerating Agribusiness in Africa – Bridge (AAA-Bridge), 2011-2012 through micro-projects such as the Competitive Agricultural Systems and Enterprises (CASE) solution, Integrated Soil Fertility Management (ISFM), fertilizer deep placement (FDP), fertilizer resource assessments and market information systems (MIS).</p>	Africa Soil Health Consortium (ASHC) (2010-2014)	The ASHC is a service provider to clients spanning public, private and academic arenas whose daily work involves assimilating Integrated Soil Fertility Management (ISFM) technologies into practice at local levels. This may be linked very well with COSOP SO 1.

Alliance for Green Revolution in Africa (AGRA)	AGRA works to achieve a food secure and prosperous Africa through the promotion of rapid, sustainable agricultural growth based on smallholder farmers. AGRA works to transform smallholder agriculture into a highly productive, efficient, sustainable and competitive system, and do so while protecting the environment. AGRA's integrated programs in seeds, soils, market access, policy and partnerships and innovative finance work to trigger comprehensive changes across the agricultural system. AGRA' programs also strengthen agricultural education and extension, address the issue of efficient water management, and strive to involve and train youth.		AGRA currently co-finances the IFAD supported project namely PROFIT, and also collaborates with DFID and JICA, among other DPs.
International Council for Research in Agro-forestry(ICRAF) – World Agro-Forestry Centre	ICRAF focuses on intra- and inter-species biodiversity, the farm-level interactions (Enhancing productivity of agroforestry systems), the market value chains (Improving tree product marketing for smallholders.), land health (Reducing land health risks), climate variability and change (Climate change adaptation and mitigation through agroforestry) and the landscape context of environmental services and policies (Supporting multi-functional landscapes with trees for environmental services). Intensified collaboration with sub-regional organizations and networks, especially ASARECA, CORAF, ANAFE AFF (African Forest Forum) and FANR-PAN). Good track record and recognition for working on food security, poverty alleviation and environmental enhancement, in a research–development framework.		

The International Leadership Institute (ILI)	Offers workshop opportunities for corporate leaders to expand their understanding of international cultures through art exhibits, samplings of cuisine and spices, in addition to conversations with international leaders. The International Leadership Institute has developed more than ten years of partnership with Womankind Kenya. Members of the ILI have traveled to Garissa to support continuing community programs in the North-eastern province and directed resources to connecting organization in the region including the Garissa Hospital. Womankind Kenya exists to support the most vulnerable members of the community, specifically women, destitute children and poor households of the North-eastern province and to build their capacity, knowledge and ability to take control of their lives.		
International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	<i>Strategic Thrust 1: Resilient Dryland Systems:</i> Reducing vulnerability to drought and climate change while increasing crop diversity and value. <i>Strategic Thrust 2: Markets, Institutions and Policies:</i> Harnessing development pathways for inclusive prosperity. <i>Strategic Thrust 3: Grain Legumes:</i> Raising and securing productivity for health, income and sustainability. <i>Strategic Thrust 4: Dryland Cereals:</i> Increasing productivity to help end hunger. Also focuses on <i>gender and equity analysis as well as knowledge sharing and innovation.</i>	ICRISAT Strategic Plan 2011-2020; ICRISAT's Business Plan (2011-2015).	
International Livestock Research Institute (ILRI)	<b>ILRI is funded by more than 60 private, public and government organizations. Some of the key projects include:</b> Enabling livestock based economies in Kenya to adapt to climate change: A Review of payment for ecosystem (PES) services from wildlife tourism as a climate change adaptation option (2011-2012); Evaluating the impacts of livestock and aquaculture	Projects running between 2010 - 2014	Collaborates with different partners. For example, Partners in the project of "evaluating the impact of livestock and aquaculture", include East Africa Dairy Development Project; <i>Juhudi Kilimo</i> ; Kenya Agricultural Research Institute and



	microcredit and value chain programs on women's empowerment (2012-2013); Health, environmental change and adaptive capacity: mapping, examining and anticipating future risks of water-related vector-borne diseases in eastern Africa (2011-2014); Mutual learning of livestock keepers and scientists for adaptation to climate change in pastoral areas (ASALs) (2010-2012).		Kenya Women Holding. Stands to be a better partner as the next COSOP ventures into the ASALs.
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Only lead DPs for major agricultural and rural development sectors are listed. In addition to the DPs and activities mentioned in the table, there are various smaller DP-supported interventions in the agriculture and rural development sector, and many interventions in other sectors. Besides those listed in the table, other KJAS partners are the Government of Canada, the Government of Finland, the Government of France, the Government of Italy, the Government of the Netherlands, the Government of Norway and the Government of Spain.

### Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<p><b>ASALs/Arid Lands</b></p> <p>Pastoralists and agro-pastoralists of arid districts which represent 11 out of the 39 ASAL districts, 68% of the country's land mass and 81% of the ASAL area. These areas have very low population densities. About 30% of the total population of Kenya lives in ASALs. In 1999 it was estimated that about 13% of the total population lived in 8 out of the 11 districts of the arid lands.</p> <p>These pastoralists/agro-pastoralists own about 50% of the national cattle and small ruminant herd and 100% of the camel population</p>	<ul style="list-style-type: none"> <li>▪ Pastoralists and agro-pastoralists mainly inhabit the arid districts. Large areas of the arid districts are suitable only for nomadic livestock production;</li> <li>▪ There has been a substantial historical and ongoing loss of rangelands to large-scale private ranchers, crop farmers and wild-life and forestry conservation areas;</li> <li>▪ Low and erratic bimodal rainfall, with short high intensity storms that produce considerable runoff and soil erosion. Water availability and accessibility is highly variable and is a key constraint to production;</li> <li>▪ Soils generally of low fertility and subject to compaction, capping and erosion. Only a few areas have soils suitable for crops. Overgrazing due to increased drought intensity.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community-based management of wet and dry season grazing areas and drought reserves;</li> <li>▪ In Agro-Ecological Zones 6, 7 pastoralism predominates, especially browsing animals and mobile lifestyle in search of pasture and water. Exchange of livestock for grain and other consumer goods. Also cultivation (increasing cereal cropping in areas with adequate moisture, hunting &amp; gathering);</li> <li>▪ In Zones 5, 6 transition cultivation of sorghum, millet, cowpea and green gram is practiced with communally grazed herds of animals. There is labor demand for bird scaring, weeding and livestock keeping;</li> <li>▪ Due to drought consumption by households of seeds normally reserved for subsequent planting.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased access to water sources;</li> <li>▪ Soil conservation and rehabilitation including for the rangelands and agricultural lands;</li> <li>▪ Research on products suitable for the ASALs, high yielding and disease/drought resistant varieties;</li> <li>▪ Development of services for livestock including abattoir, AI services and Disease-Free Zones;</li> <li>▪ Improved supply of inputs such as veterinary drugs, forage and small livestock equipment;</li> <li>▪ Improved marketing of animals and animal products, processing and value addition;</li> <li>▪ Diversification of income activities where possible;</li> <li>▪ Access to appropriate mobile services in the education and human and animal sectors and water supply;</li> <li>▪ Reduction of conflicts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Redressing unfavorable policy environment for pastoralist activities, e.g. for development of private veterinary practices at CAHWs level and reducing multiple taxes on livestock;</li> <li>▪ Private AI service development (to be supported by GOK);</li> <li>▪ Commercial seed and processing companies where applicable;</li> <li>▪ Facilitation by GOK to improve market access: information, structures and road infrastructure;</li> <li>▪ GOK to establish and develop drought management systems and mobile services. Hunger Safety Net Programme (HSNP) to provide cash transfers to vulnerable households and individuals;</li> <li>▪ Facilitation by the GOK of access to insurance schemes and credit facilities;</li> <li>▪ Donors and NGOs to assist in income diversification and supply of social services where appropriate;</li> <li>▪ GOK involvement in establishment of legal frameworks to resolve land tenure issues and conflicts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facilitate the creation of CBOs including groups of pastoralists, capacity building for their development;</li> <li>▪ Facilitate access to credit and insurance schemes;</li> <li>▪ Facilitate the involvement of the private sector in relevant service provision and in processing.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<p><b>ASALs/Semi-arid lands</b> Population of semi-arid districts which have activities falling in four main categories:</p> <ul style="list-style-type: none"> <li>• areas with mixed rain-fed and irrigation agriculture and high economic and political disparities;</li> <li>• areas with encroaching agro-pastoral use by marginalized smallholders;</li> <li>• areas with predominantly pastoralist use in the economic and political periphery; and</li> <li>• Semi-arid areas that include protected areas such as game reserves, national parks, forest areas and their surroundings.</li> </ul> <p>19 Districts are classified as semi-arid. (The remaining 9 ASAL districts are classified as having high annual rainfall but with pockets of arid and semi-arid conditions). The semi-arid areas represent 16% of the country's land mass and 19% of the ASAL area.</p>	<ul style="list-style-type: none"> <li>▪ In Agro-Ecological Zone 5 maize, cowpea and pigeon pea (millet and sorghum would be more appropriate) are grown; goat rearing (25% do not own livestock). Use of animal manure and ox ploughing; seasonally high demand for labor (weeding and harvesting). Major production constraints are soil erosion, low fertility, overgrazing and frequent droughts. Most farmers grow maize but the rate of crop failure is very high;</li> <li>▪ In Zone 4 maize, beans and cotton are grown (improved seeds and limited use of chemical fertilizer); local breeds of cattle predominate, goats, sheep and poultry (use of crop residues). To minimize risks farmers keep livestock, practice mixed cropping and plant more drought tolerant crops such as cow and pigeon peas. Inadequate rainfall and a high incidence of pests pose high risks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ During recent prolonged drought 2008-11, coping mechanisms included migration to other areas for pastures and water contributing to land degradation and overgrazing, herd splitting, distress sales, and slaughter; consumption by the households of seeds for subsequent planting; food and feed rationing and change in meal composition shifting from milk and milk products to more cereals; income diversification and generation from non-pastoral activities including subsidiary activities that generate money, rural-urban migration to provide casual labor, drugs and substance abuse, child abuse and immoral practices, petty trade such as tea kiosks, harvesting sand, and environmentally destructive practices such as charcoal burning and mineral mining.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Redressing the legacy of the loss of rangelands;</li> <li>▪ Increased access to water sources;</li> <li>▪ Soil conservation and rehabilitation including the rangelands and agricultural lands;</li> <li>▪ Reduction of high incidence of pests;</li> <li>▪ Coping with frequent droughts;</li> <li>▪ Research on products suitable for the ASALs, high yielding and disease/drought resistant varieties;</li> <li>▪ Development of services for livestock including abattoir, AI services and Disease-Free Zones;</li> <li>▪ Improved supply of inputs (veterinary drugs, forage and small livestock equipment);</li> <li>▪ Improved marketing of animals and animal products, processing and value addition;</li> <li>▪ Diversification of income activities where possible;</li> <li>▪ Access to appropriate mobile services in the education and human and animal sectors and water supply;</li> <li>▪ Reduction of conflicts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Redressing unfavorable policy environment for pastoralist activities, e.g. for administration of group-owned land, development of private veterinary practices at CAHWs level and reducing multiple taxes on livestock;</li> <li>▪ Private AI service development (to be supported by GOK);</li> <li>▪ Commercial seed and processing companies where applicable;</li> <li>▪ Facilitation by GOK to improve market access: information, structures and road infrastructure;</li> <li>▪ GOK to establish and develop drought management systems and mobile services. Hunger Safety Net Programme (HSNP) to provide cash transfers to vulnerable households and individuals;</li> <li>▪ Facilitation by the GOK of access to insurance schemes and credit facilities;</li> <li>▪ Efforts by NGOs to assist in income diversification and supply of social services where appropriate;</li> <li>▪ GOK involvement in establishment of legal frameworks to resolve land tenure issues and conflicts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facilitate the creation of CBOs including groups of pastoralists, capacity building for their development;</li> <li>▪ Facilitate access to credit and insurance schemes;</li> <li>▪ Facilitate the involvement of the private sector in relevant service provision and processing.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<p><b>Poorest, subsistence smallholders and pastoralists</b></p>	<ul style="list-style-type: none"> <li>▪ Lack of productive resources, including land and livestock;</li> <li>▪ Illiteracy, lack of knowledge and skills which limits opportunities;</li> <li>▪ Socially excluded from community-based activities;</li> <li>▪ No safety net, caught up in hand-to-mouth survival;</li> <li>▪ HIV/AIDS and other diseases affect those in the productive ages;</li> <li>▪ Inability to afford user charges (e.g. water, health);</li> <li>▪ Environmental degradation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work as casual labourers;</li> <li>▪ Resort to overexploitation of natural resources;</li> <li>▪ Illicit businesses (e.g. brewing, commercial sex) for survival;</li> <li>▪ Asking assistance from others (agro-pastoralist/pastoralist communities depend much more on support from other community members).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved access to land and tenure security (more for subsistence farmers);</li> <li>▪ Welfare projects to provide basic needs.</li> <li>▪ Investment in research for improving seed quality, implementation of fertilizer cost-reduction investment programme;</li> <li>▪ Low-cost irrigation technologies and environmental conservation techniques;</li> <li>▪ Establishment of livestock feed reserves;</li> <li>▪ Diversification of sources of livelihood;</li> <li>▪ Improved health facilities;</li> <li>▪ Flexible approach to cost sharing and community contributions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CBOs that focus on the poorest community members, e.g. orphans;</li> <li>▪ Resettlement and land buying schemes;</li> <li>▪ Efforts by NGOs and government to introduce safety nets such as cash transfers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improved access to land in irrigation schemes (for subsistence farmers);</li> <li>▪ Strengthen community-based mechanisms that support the poorest, e.g. exemption schemes;</li> <li>▪ Include appropriate, low-cost technology alternatives and environmental conservation techniques;</li> <li>▪ Create opportunities for their inclusion in groups and community development initiatives;</li> <li>▪ Facilitate diversification of income activities.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<p><b>Poor, semi-subsistence smallholders and pastoralists with marketable surplus</b></p>	<ul style="list-style-type: none"> <li>▪ Low productivity due to limited coordination in and investment in research, extension and training and low application of technology/innovation by farmers;</li> <li>▪ Low productivity due to high cost and increased adulteration of key inputs;</li> <li>▪ Over-dependence on rainfed agriculture;</li> <li>▪ High post-harvest losses and poor quality of produce due to inadequate post-harvest storage and handling;</li> <li>▪ Lack of or limited alternative sources of livelihood;</li> <li>▪ Pressure on land and other natural resources. Inefficient land use in form of idle and under-utilized land and over-division of land into uneconomic units in parts of the country;</li> <li>▪ Limited access to credit;</li> <li>▪ Illiteracy, lack of knowledge and skills;</li> <li>▪ HIV/AIDS and other diseases;</li> <li>▪ Low prices for produce.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work as casual labourers;</li> <li>▪ Sell crops prematurely;</li> <li>▪ Sell off assets to meet emergencies;</li> <li>▪ Resort to unsustainable exploitation of natural resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capacity building for groups aimed at better production/marketing;</li> <li>▪ Investment in research for improving seed quality, implementation of fertilizer cost-reduction investment programme;</li> <li>▪ Improving delivery of extension and training services including environmental conservation;</li> <li>▪ Low-cost irrigation technologies, intensification and expansion of irrigation;</li> <li>▪ Improvement of animal health and quality assurance services and establishment of Disease-Free Zones;</li> <li>▪ Range improvements, establishment of livestock feed reserves and infrastructure development;</li> <li>▪ Storage and handling facilities and processing equipment;</li> <li>▪ Market access and better producer prices;</li> <li>▪ Improvements in land management;</li> <li>▪ Credit;</li> <li>▪ Transport infrastructure improvement;</li> <li>▪ Training on income generating projects;</li> <li>▪ Better health facilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ This category of poor but capable people is the target group of most economic and social rural development initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Core target group for improved incomes through group capacity building and enhanced productivity;</li> <li>▪ Capacity building for improving service provision by GOK and facilitate private sector involvement in supply of relevant services and facilities;</li> <li>▪ Include appropriate pre- and post-harvest technology alternatives and environmental conservation techniques;</li> <li>▪ Improve financial returns from smallholder production and pastoralism through more efficient markets;</li> <li>▪ Facilitate diversification of sources of livelihood;</li> <li>▪ Facilitate access to credit.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<b>Better off, commercially oriented smallholders</b>	<ul style="list-style-type: none"> <li>▪ Inadequate extension support and advisory services linked to value addition and markets;</li> <li>▪ Inadequate agricultural marketing facilities and rural infrastructure (including road development);</li> <li>▪ Inefficient and unpredictable markets offering low returns;</li> <li>▪ Inadequate rural financial services for agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invest in irrigation;</li> <li>▪ Develop long term links with selected traders and processors;</li> <li>▪ Diversify resource and income base.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More extension services linked to value addition and markets. This would be with specific reference to higher-value or differentiated agricultural and food products (HVAF), good agricultural practices and international food standards for those wanting to export to international markets;</li> <li>▪ Improved market facilities, information and access;</li> <li>▪ Improved rural infrastructure (roads);</li> <li>▪ Credit and investment capital.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assistance to farmers by Government and donors for the formation of producers' organizations to produce, market and process their produce within Kenya and for export; in particular assistance by the Government of the governance and technical capacity of Cooperatives, better enforcement of the Cooperative act and encouragement of the transformation of CBOs and farmers' groups into Cooperatives;</li> <li>▪ Private sector operators (traders, processors, supermarkets) seek reliable suppliers;</li> <li>▪ Financial service providers are beginning to improve access to services for capable producers;</li> <li>▪ Public-private partnerships and investments in agricultural marketing facilities and rural infrastructure (including road development).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not a priority target group, but to be included in certain interventions because of their initiative, experience, and local leadership roles;</li> <li>▪ Capacity building for improving service provision by Government and facilitate the involvement of the private sector in supply of relevant services;</li> <li>▪ Involvement in support to creation and capacity building of CBOs, farmers' groups and Cooperatives;</li> <li>▪ Facilitate access to credit;</li> <li>▪ Facilitate public-private partnerships.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<p><b>Female headed households.</b> Female headed households can include single, widowed, deserted or divorced.</p>	<ul style="list-style-type: none"> <li>▪ High poverty rates amongst women. Single women with land and other assets are usually more empowered;</li> <li>▪ Limited access to natural and productive resources (including land ownership), disadvantaged in access to credit, agricultural inputs, marketing outlets; widows and abandoned women often exposed to claims on assets by relatives, turning them destitute;</li> <li>▪ Very low exposure to agricultural services and appropriate technology (also due to the lack of adaptation of these services to women's multiple roles and consequent time constraints and absence of reliable channels of communication);</li> <li>▪ Unexploited potential of women's entrepreneurship;</li> <li>▪ High illiteracy rate and inadequate women's representation and their interests in local groups, management committees.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sell off remaining assets to meet household expenses;</li> <li>▪ Resort to petty trade, subsistence farming, and illicit businesses (e.g. brewing, charcoal burning, commercial sex) for survival.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A number of social protection mechanisms supported by donors are being implemented in Kenya, in particular the Older Person Cash Transfer) and Orphans and Children Cash-Transfer. Increase the social safety net, improve opportunities to deal with short-term financial crises and retain productive assets and activities;</li> <li>▪ Increased women's access to land tenure;</li> <li>▪ Increased access of women to extension services and agricultural technology;</li> <li>▪ Development of women's entrepreneurial activities in food processing, agro-processing, horticulture and retail trade by increasing the size of these concerns and development of women's groups in agricultural and livestock activities;</li> <li>▪ Increased women's representation;</li> <li>▪ Increased access to social services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public investment programmes with gender-mainstreaming capacity. Programmes addressing specific women's issues (e.g. girls' education, FGM, domestic violence) especially by NGOs;</li> <li>▪ Mutual support through women's groups, including merry-go-round savings schemes;</li> <li>▪ GOK involvement in establishment of legal frameworks to resolve land tenure issues;</li> <li>▪ GOK, donors and NGO involvement in increasing women's access to extension services and to appropriate agricultural technology and of entrepreneurial activities and women's groups;</li> <li>▪ CBOs giving greater weight to women;</li> <li>▪ Education, health and family planning services by GOK, donors and NGOs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Facilitate the creation of women's groups, capacity building for their development;</li> <li>▪ Facilitate access to credit;</li> <li>▪ Capacity building for improving service provision by GOK and facilitate the involvement of the private sector in supply of relevant services;</li> <li>▪ Civic education and legal advice on land rights;</li> <li>▪ CIG access to land in community and GOK irrigation schemes.</li> </ul>

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
<b>Landless and near rural households</b>	<ul style="list-style-type: none"> <li>▪ Lack of most fundamental productive asset, a viable landholding;</li> <li>▪ Large families with unreliable income, and lack of access to basic services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hiring their labor to those with land;</li> <li>▪ Engage in petty trade and illicit businesses.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Access to productive land;</li> <li>▪ Improved employment opportunities;</li> <li>▪ Increase the social safety net and reduce the number of households that fall into this state.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More conducive land policy being finalized;</li> <li>▪ Limited support to land buying resettlement and redistribution schemes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase employment opportunities in the commercial smallholder sub-sector;</li> <li>▪ Civic education and legal advice on land rights;</li> <li>▪ CIG access to land in community and GOK irrigation schemes.</li> </ul>
<b>Youth</b>	<ul style="list-style-type: none"> <li>▪ Low levels of education and technical knowledge;</li> <li>▪ High rates of unemployment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resort to existing opportunities or migrate.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adequate training in agricultural techniques. Access to modern agricultural technologies in view of future application of contemporary science and technology such as genomics, biotechnology, modeling and information communication. Specific sensitization to environmental issues including climate change;</li> <li>▪ Access to credit for start-up.</li> </ul>	<ul style="list-style-type: none"> <li>▪ GOK investment in upgrading of youth knowledge in agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Civic education and legal advice on land rights;</li> <li>▪ CIG access to land in community and GOK irrigation schemes;</li> <li>▪ Facilitate creation and capacity building of youth in small business development, including groups;</li> <li>▪ Facilitate access to credit.</li> </ul>