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Dar a la población rural
pobre la oportunidad
de salir de la pobreza

República de Kenya

Evaluación del programa en el país

Nota para los representantes en la Junta Ejecutiva

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Para **examen**

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Prólogo

Esta es la primera evaluación del programa en el país (EPP) correspondiente a Kenya realizada por la Oficina de Evaluación Independiente del FIDA desde que el Fondo inició sus actividades en el país en 1979. Gracias a esta labor ha sido posible evaluar los resultados y el impacto de las actividades financiadas por el FIDA en el país, y formular conclusiones y recomendaciones que sirvieron de base para el programa sobre oportunidades estratégicas nacionales basado en los resultados relativo a Kenya, que fue elaborado conjuntamente por el FIDA y el Gobierno de Kenya tras la finalización de la evaluación.

Los resultados de la asociación entre el FIDA y el Gobierno en el último decenio han sido, por lo general, alentadores. Entre otras esferas, en la EPP se detectaron resultados útiles en la gestión de los recursos naturales y la conservación del medio ambiente, el desarrollo comunitario y la introducción paulatina de enfoques que favorecen la generación de ingresos y la comercialización de la agricultura y la ganadería en pequeña escala como un medio para reducir la pobreza rural. En el informe de la EPP se destaca que el Gobierno y todos los principales asociados en Kenya aprecian los enfoques participativos y que parten desde la base aplicados por el FIDA, la importancia otorgada al desarrollo comunitario y el fomento de las instituciones de base. El desempeño del FIDA como asociado se ha calificado de satisfactorio durante los últimos 10 años.

Al mismo tiempo, en el informe se pone de relieve que la naturaleza sumamente variada de las actividades del subsector financiadas mediante los proyectos respaldados por el FIDA en Kenya y la insuficiente atención prestada al diálogo sobre políticas y a las asociaciones con los donantes bilaterales y multilaterales han impedido que el Fondo contribuyera de manera aún más amplia a la mejora de los ingresos y los medios de vida de las zonas rurales. Además, la atención que antes se centraba casi exclusivamente en las zonas de potencial entre medio y alto en el suroeste del país también ha impedido que el Fondo contribuyera a aprovechar el enorme potencial económico de las tierras áridas y semiáridas, donde vive casi el 30 % de toda la población rural pobre de Kenya. Por último, al igual que en un gran número de operaciones respaldadas por el FIDA en todo el mundo, la eficiencia de las operaciones en Kenya es el criterio de evaluación abarcado por la EPP que arroja peores resultados.

En este informe de evaluación se incluye el acuerdo en el punto de culminación, que recoge las principales conclusiones y recomendaciones de la evaluación que la dirección del FIDA y el Gobierno convienen en adoptar y aplicar en un plazo determinado.

Luciano Lavizzari
Ex Director de la Oficina de Evaluación Independiente del FIDA

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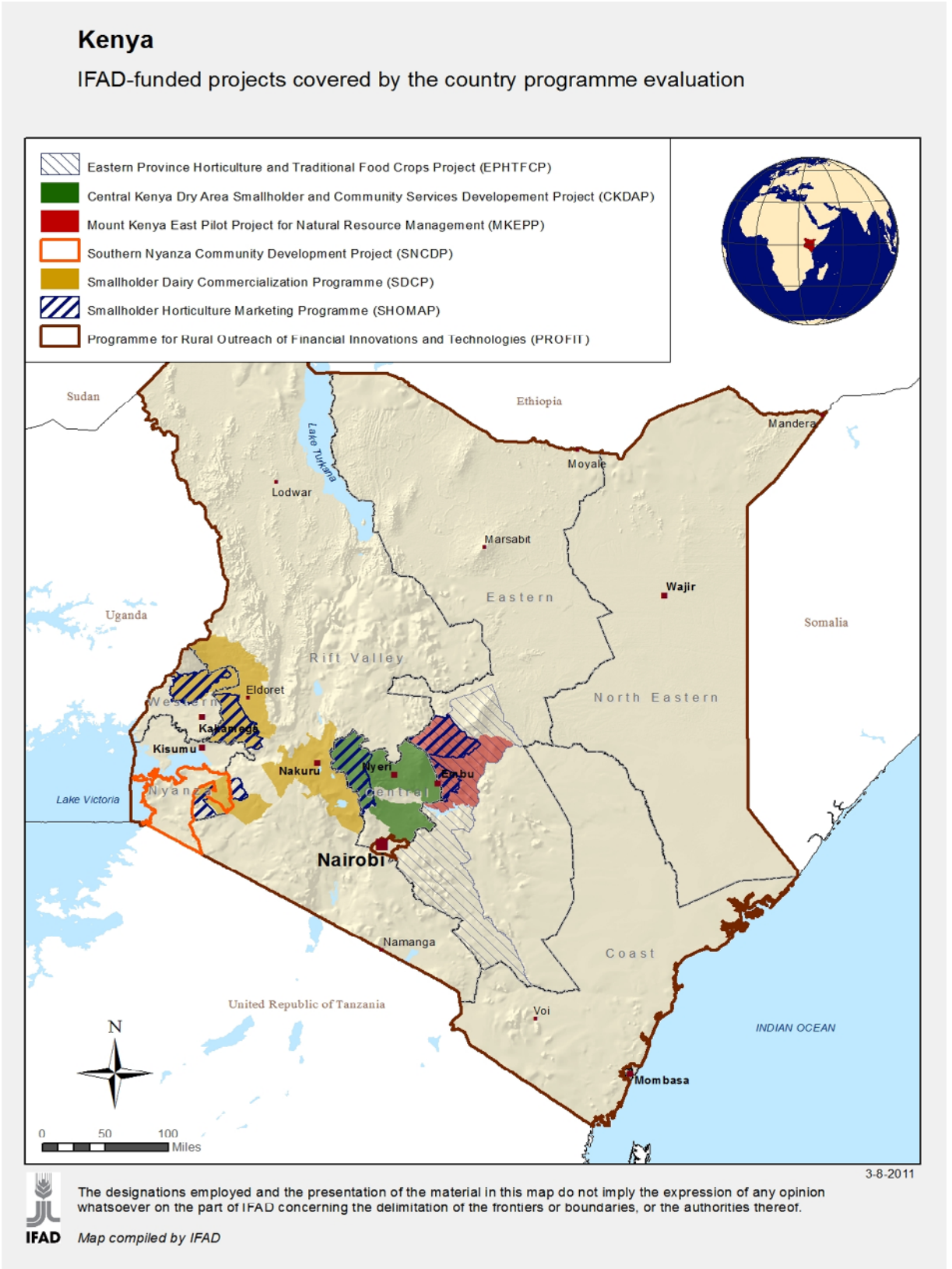
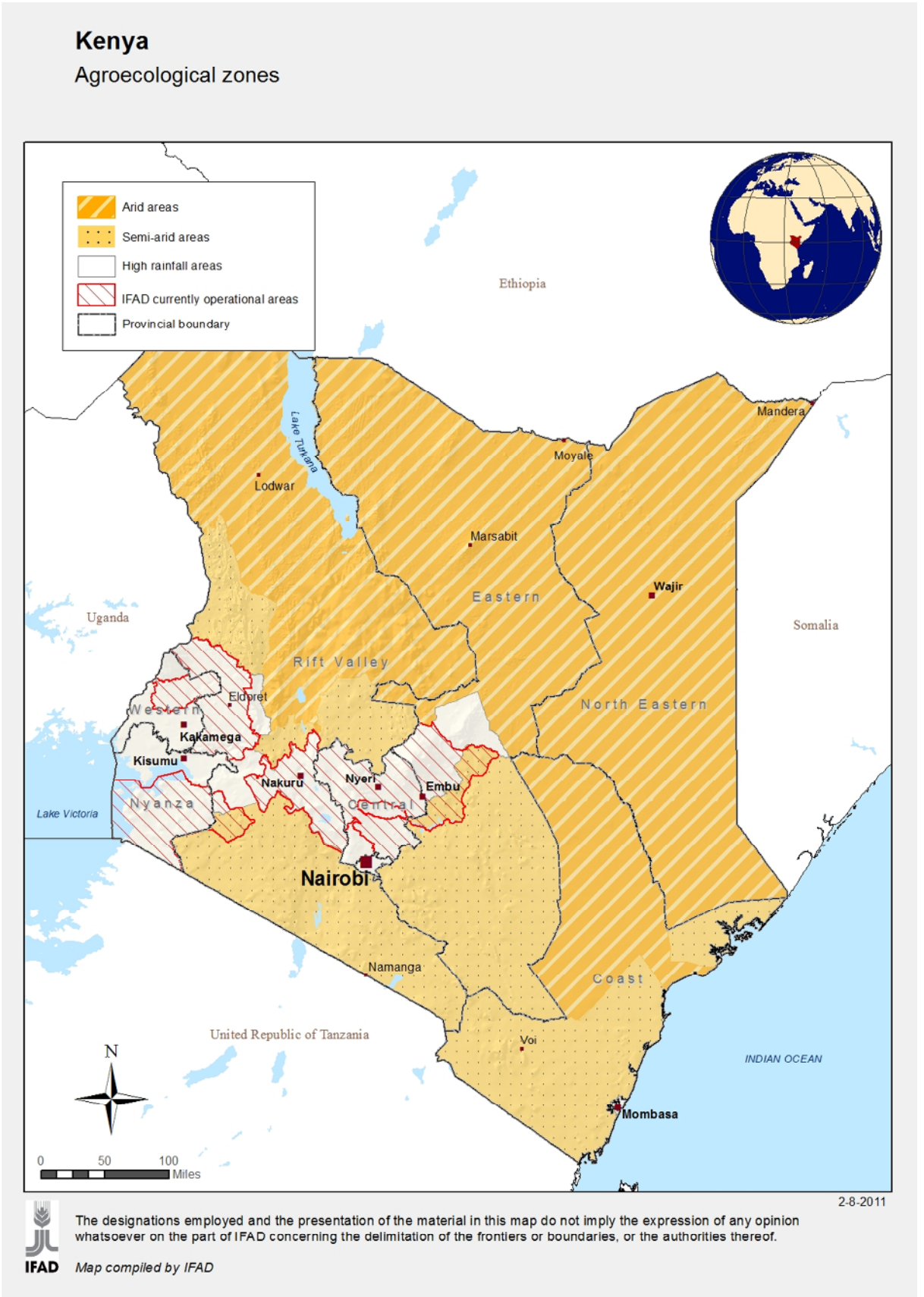
Luciano Lavizzari
Ex Director de la Oficina de Evaluación Independiente del FIDA

Mapas de las operaciones financiadas por el FIDA



Fuente: FIDA
Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes



Fuente: FIDA
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Resumen

1. Esta es la primera evaluación del programa en el país (EPP) correspondiente a Kenya realizada por la Oficina de Evaluación Independiente del FIDA desde que el Fondo inició sus actividades en el país en 1979. Gracias a esta labor ha sido posible evaluar los resultados y el impacto de las actividades financiadas por el FIDA en el país, y formular conclusiones y recomendaciones que sirvieron de base para el programa sobre oportunidades estratégicas nacionales (COSOP) basado en los resultados relativo a Kenya, que fue elaborado conjuntamente por el FIDA y el Gobierno de Kenya tras la finalización de la evaluación.

2. Los resultados de la asociación entre el FIDA y el Gobierno en los últimos 10 años han sido, por lo general, alentadores, especialmente en vista de que la asociación se encontraba en su nivel más bajo en el decenio de 1990 debido a la suspensión de las actividades del FIDA en el país. Entre otras esferas, en la EPP se detectaron resultados útiles en la gestión de los recursos naturales y la conservación del medio ambiente, el desarrollo comunitario y la introducción paulatina de enfoques que favorecen la generación de ingresos y la comercialización de la agricultura y la ganadería en pequeña escala como un medio para reducir la pobreza rural.

3. El Gobierno y todos los principales asociados en Kenya aprecian los enfoques participativos y que parten desde la base aplicados por el FIDA, la importancia otorgada al desarrollo comunitario y el fomento de las instituciones de base. Estas características, especialmente su atención a los pequeños productores agropecuarios, diferencian al FIDA de los otros donantes en el país y son fundamentales para fomentar el sentido de apropiación en el plano local, lo que puede contribuir a mejorar la sostenibilidad de los beneficios. Mediante los proyectos también se ha promovido el suministro de agua para uso doméstico, los servicios de saneamiento y la infraestructura de salud pública, pese a que estas no son esferas en las que el FIDA posee una ventaja comparativa y, en el futuro, deberían reconsiderarse a fin de limitar la fragmentación del programa en el país. Gracias a los proyectos financiados por el FIDA, se han introducido una serie de innovaciones y hay ejemplos de ampliación de escala. Sin embargo, tanto la innovación como la ampliación de escala no están impulsadas por una agenda coherente y actualmente se ponen en práctica según las circunstancias del caso.

4. Al mismo tiempo, en el informe de la EPP se pone de relieve que la naturaleza sumamente variada de las actividades del subsector financiadas mediante los proyectos respaldados por el FIDA en Kenya y la insuficiente atención prestada al diálogo sobre políticas y a las asociaciones con los donantes bilaterales y multilaterales han impedido que el Fondo contribuyera de manera aún más amplia a la mejora de los ingresos y los medios de vida de las zonas rurales. Además, la atención que antes se centraba casi exclusivamente en las zonas de potencial entre medio y alto en el suroeste del país también ha impedido que el Fondo contribuyera a aprovechar el enorme potencial económico de las tierras áridas y semiáridas, donde vive casi el 30 % de toda la población rural pobre de Kenya.

5. El desempeño del FIDA como asociado en el país se ha calificado de satisfactorio durante los últimos 10 años. A favor del Fondo, hay que reconocer que sus esfuerzos por reactivar eficazmente la cartera suspendida en los años noventa se han revelado útiles. Desde 2000, el FIDA ha elaborado dos COSOP para Kenya, financiado seis nuevos préstamos, establecido una presencia en el país con un gerente del programa en el país (GPP) destacado sobre el terreno y un GPP adjunto, pasado a la supervisión directa y el apoyo a la ejecución de todas las operaciones nuevas y en curso, creado un equipo de gestión del programa en el país dinámico con diversos asociados en el país y establecido su primera oficina regional en Nairobi, dirigida por un asesor de la cartera. Sin embargo, el FIDA no ha participado suficientemente en los procesos normativos y el establecimiento de asociaciones estratégicas.

6. Por otra parte, en el informe se hace hincapié en una serie de aspectos preocupantes relacionados con el desempeño del Gobierno, en particular la escasa capacidad de ejecución de proyectos en los distritos, la limitada asignación de fondos de contrapartida en el marco de los proyectos respaldados por el FIDA, la insuficiente resolución a aplicar las políticas, la lentitud del flujo de fondos y las deficiencias en los procesos de gestión financiera, auditoría y adquisición y contratación. Aunque la asignación presupuestaria nacional para el sector agropecuario está aumentando poco a poco, se ha mantenido sistemáticamente por debajo del objetivo del 10 %, a pesar del compromiso asumido en el marco de la Declaración de Maputo sobre la Agricultura y la Seguridad Alimentaria de 2003. La fragmentación de la arquitectura institucional, con 10 ministerios diferentes que se ocupan del sector agropecuario y el desarrollo rural, ha dispersado los recursos y planteado dificultades para la ejecución y la coordinación de los proyectos. El Gobierno ahora parece estar muy preocupado por reactivar el sector y, recientemente, ha puesto en marcha una nueva estrategia de desarrollo del sector agropecuario, firmado el pacto de 2007 del CAADP[1] y aprobado una nueva constitución nacional.

7. El FIDA ha concedido una serie de donaciones por países a Kenya, así como donaciones a nivel mundial y regional que abarcan al país y están relacionadas, entre otras cosas, con la financiación rural, el uso sostenible de la tierra, la promoción de cultivos tradicionales resistentes a la sequía, la gestión del agua para fines agropecuarios, la prevención del VIH/sida, la gestión de conocimientos, y la producción ganadera y la comercialización. Estas donaciones han sido útiles para realizar investigaciones sobre temas fundamentales que revisten interés para el programa en el país. Sin embargo, en la evaluación se constató que existían oportunidades para mejorar los vínculos entre las donaciones (especialmente las donaciones a nivel mundial y regional) y las operaciones de inversión. También se observó que los beneficiarios de las donaciones en Kenya no eran plenamente conscientes de las otras actividades financiadas mediante donaciones en el país, lo que limitaba la posibilidad de establecer sinergias entre estas donaciones y toda la cartera de inversiones.

8. Al igual que en un gran número de operaciones respaldadas por el FIDA en todo el mundo, la eficiencia de las operaciones en Kenya es el criterio de evaluación abarcado por la EPP que arroja peores resultados. Algunas de las causas de la escasa eficiencia son la lentitud de los procedimientos para reponer las cuentas especiales de los proyectos, los retrasos en el pago de los servicios, los altos costos globales de la gestión de los proyectos como porcentaje de los costos totales de los proyectos, los múltiples componentes e instituciones involucrados en la ejecución de los proyectos y, en algunos casos, los sobrecostos que son difíciles de justificar. Por tanto, la garantía de una mayor eficiencia es una esfera que requiere una atención y una labor concertadas en el futuro.

9. Gracias a la oficina del FIDA en Nairobi el Fondo ha podido comprender mejor la situación del país y entablar una mayor comunicación y diálogo con una serie de asociados. El Gobierno, el personal de los proyectos y otras entidades aprecian enormemente la presencia física permanente del GPP en Nairobi. Este, al estar destacado en el país, puede llevar a cabo una labor de supervisión y apoyo a la ejecución de los proyectos más oportuna, pese a que la capacidad y los recursos generales de la oficina en el país para participar en el diálogo sobre políticas siguen siendo limitados. Ello se debe, en parte, a la gran cantidad de trabajo necesario para diseñar nuevas operaciones y gestionar los seis proyectos actualmente en curso, pero también al hecho de que la agenda y las prioridades normativas no están lo suficientemente definidas. Las relaciones entre la oficina del FIDA en Kenya

[1] Programa general para el desarrollo de la agricultura en África.

y la oficina regional del FIDA para África Oriental y Meridional (ESA), así como las funciones y las responsabilidades de cada una de ellas, aún deben establecerse claramente.

10. El centro regional del FIDA establecido en Nairobi en 2007 se convirtió en una oficina regional en toda regla a principios de 2011 y es la primera estructura orgánica descentralizada de este tipo de las cinco regiones geográficas abarcadas por las operaciones del Fondo. El asesor de la cartera cuenta con el apoyo de tres expertos técnicos en cuestiones de género, tierra y financiación. El equipo de evaluación considera que el establecimiento de una oficina regional de este tipo es una innovación interesante, puesto que ofrece una oportunidad para que el FIDA se acerque a la situación sobre el terreno y preste un apoyo más eficaz a las actividades que financia en toda la región. Sin embargo, el equipo no pudo encontrar ninguna información sobre el análisis que llevó al establecimiento de la oficina regional en Nairobi, ni tampoco sobre las razones que explican por qué dicha oficina se estableció en la región de ESA del FIDA. En cualquier caso, en adelante, es necesario aclarar la estructura orgánica de la oficina regional, las relaciones de esta con la Sede y los diversos programas en los países de la región, los especialistas técnicos que debe acoger y su programa de trabajo.

11. Sobre la base de las calificaciones de los resultados de la cartera, las actividades no crediticias y los resultados de los COSOP, la asociación general entre el FIDA y el Gobierno durante los últimos 10 años ha sido calificada de moderadamente satisfactoria.

Recomendaciones

12. Las conclusiones y recomendaciones de la EPP fundamentan las seis recomendaciones siguientes, que sirvieron de base para el nuevo COSOP relativo a Kenya.

13. **Futuras prioridades geográficas y subsectoriales.** El próximo COSOP debería basarse en la ventaja comparativa y la especialización del FIDA en Kenya. En él debería especificarse que el FIDA incluirá inversiones financiadas mediante préstamos en las tierras áridas y semiáridas, que tienen un gran potencial económico sin aprovechar (por ejemplo, en la agricultura de regadío y el desarrollo de la ganadería) y son el lugar donde vive casi el 50 % de toda la población rural pobre de Kenya. Estas medidas estarían en consonancia con la propia prioridad del Gobierno de desarrollar estas tierras a fin de promover el desarrollo económico nacional. En el COSOP se debería analizar específicamente, entre otras cuestiones, el perfil de la pobreza de la población rural pobre que vive en las tierras áridas y semiáridas, las capacidades institucionales predominantes y la infraestructura para apoyar el desarrollo económico, y las oportunidades de asociación con otros donantes que podrían proporcionar insumos complementarios esenciales. Ocuparse de estas tierras también puede contribuir a mejorar la eficiencia de los proyectos financiados por el FIDA, en vista de la incidencia de la pobreza en estas zonas.

14. Además, en el COSOP se debería otorgar claramente prioridad a un conjunto más restringido de subsectores en el futuro, por ejemplo: el desarrollo de las cadenas de valor de los productos básicos con una mayor participación del sector privado; el desarrollo participativo del riego en pequeña escala, especialmente en las tierras áridas y semiáridas; el desarrollo de la ganadería; las tecnologías agrícolas para mejorar la productividad y la fertilidad del suelo a largo plazo, y la gestión de los recursos naturales y el medio ambiente. En el COSOP se deberían indicar explícitamente las esferas temáticas que las intervenciones del FIDA *no* abarcarán en el futuro, en particular el suministro de agua para uso doméstico, la salud y el saneamiento, puesto que el FIDA no posee una ventaja comparativa en estas esferas.

15. **Enfoque de desarrollo.** El FIDA debería seguir dedicándose al desarrollo comunitario y seguir promoviendo los enfoques participativos y que parten desde la base referidos al sector agropecuario y el desarrollo rural, mediante el fomento de instituciones de base sólidas y la inversión en la igualdad de género y el empoderamiento de la mujer. Se trata de actividades características del FIDA y esferas de apoyo que los asociados en Kenya valoran enormemente. Por consiguiente, el enfoque de desarrollo por el que el FIDA es bien conocido debería incorporarse en sus actividades más amplias de comercialización y promoción de la agricultura y la ganadería en pequeña escala como actividades comerciales. Por ejemplo, ayudar al empoderamiento de los pequeños productores mediante la capacitación y la promoción del desarrollo de las instituciones de base (tales como, cooperativas lecheras) proporcionaría a los productores un mayor acceso a los mercados y mejores precios.

16. **Innovación y ampliación de escala.** En el próximo COSOP deberían evidenciarse claramente las esferas de innovación en el programa en el país, después de evaluar exhaustivamente los ámbitos en los que la innovación en el sector agropecuario podría contribuir a mejorar los resultados en la reducción de la pobreza rural. Algunos ejemplos que deben tenerse en cuenta en Kenya son: el riego participativo en pequeña escala y la gestión del agua en las tierras áridas y semiáridas para asegurar el uso sostenible de las aguas subterráneas, y la participación del sector privado, por ejemplo en la prestación de apoyo a los pequeños proveedores de servicios de elaboración de productos agropecuarios para agregar valor en el sector ganadero. El nuevo COSOP debería hacer hincapié en la ampliación de escala para aumentar el impacto en la pobreza. Sin embargo, para ello sería necesario incrementar la inversión en el establecimiento de asociaciones con los bancos multilaterales de desarrollo y otros donantes, así como fomentar la participación del Gobierno en el diálogo sobre políticas, basándose en los ejemplos de buenas prácticas y las enseñanzas que se generen sobre el terreno.

17. **Una estrategia en el país más integrada.** En el nuevo COSOP se debería explicar más claramente el modo en que los diversos instrumentos del FIDA se complementarán entre sí y contribuirán al logro de los objetivos del programa en el país. Por ejemplo, habría que prestar atención a asegurarse de que haya sinergias entre las operaciones de inversión, entre las donaciones a nivel regional y por países, y entre las operaciones de inversión y las donaciones y las actividades no crediticias (diálogo sobre políticas, gestión de conocimientos y creación de asociaciones). Las actividades no crediticias tendrían que dotarse de recursos suficientes para que pudieran realmente contribuir a reforzar la coherencia del programa en el país.

18. En cuanto a las prioridades relativas al diálogo sobre políticas, basándose en la experiencia de los proyectos respaldados por el FIDA, el Fondo podría ayudar al Gobierno a elaborar nuevas políticas y a perfeccionar aquellas existentes con miras al desarrollo de la ganadería (especialmente en las tierras áridas y semiáridas), la gestión del agua y la participación del sector privado en la agricultura y la ganadería en pequeña escala. Deberían fortalecerse las asociaciones con el Banco Africano de Desarrollo (BAfD), la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO), la Agencia de los Estados Unidos para el Desarrollo Internacional (USAID) y el Banco Mundial, especialmente para definir las opciones de cofinanciación de las operaciones y de ampliación de escala, así como para entablar un diálogo sobre políticas conjunto con el Gobierno acerca de las cuestiones clave que afectan al sector agropecuario y al desarrollo rural.

19. **Mejora del desempeño del Gobierno.** El Gobierno debería velar por el establecimiento de un marco normativo e institucional propicio y la asignación de los recursos necesarios para dar un nuevo impulso al crecimiento favorable a los pobres en el sector agropecuario del país. En particular, el Gobierno tendría que asegurar el fortalecimiento de sus sistemas de auditoría, financiación y adquisición

y contratación a fin de garantizar el uso responsable de los fondos de los préstamos del FIDA, y esforzarse por aumentar su participación en la financiación de contrapartida de los proyectos respaldados por el Fondo. Por su parte, el FIDA podría: prestar apoyo a la creación de capacidad de los funcionarios públicos con objeto de mejorar la prestación de los servicios en el plano local; respaldar la aplicación gubernamental de la política nacional de riego, y contribuir a la mejora de los sistemas financieros y de adquisición y contratación del Gobierno para asegurar un flujo de fondos más oportuno y la diligencia debida en la utilización de los recursos.

20. **Presencia física del FIDA en Kenya.** La oficina en el país podría desempeñar una función más importante en los procesos normativos basados en datos objetivos, pero para ello habría que asignar los recursos y el tiempo necesarios. La función del GPP en el diálogo sobre políticas también debería reflejarse debidamente en sus objetivos anuales de actuación profesional. Es fundamental que la relación entre la oficina en Kenya y la oficina regional del FIDA para la ESA se defina y comunique rápidamente a todos los interesados en el país y en toda la región.

21. Se recomienda que la estructura orgánica de la oficina regional se establezca con claridad, especialmente sus relaciones con la Sede y los diversos programas en los países de la región, los especialistas técnicos que esta debe acoger y su programa de trabajo. En este sentido, sería aconsejable elaborar indicadores específicos que puedan emplearse para evaluar el desempeño y la contribución de la oficina regional en un momento oportuno en el futuro, por ejemplo indicadores que puedan aclarar su "rentabilidad". Del mismo modo, sería útil que la ESA elaborara un informe periódico sobre la marcha de las actividades de la oficina regional destinado al personal directivo superior del FIDA, en el que se señalasen los logros y los desafíos de este sistema de organización descentralizado.

Extract of agreement at completion point

A. Introduction

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 ongoing. 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 (ACP) 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 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.

B. 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 more timely 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, promoting 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.

C. 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 semi-arid 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**

Signed by:

Date: 28/6/11

Dr Romano M Kiome, PhD, CBS
Permanent Secretary
Ministry of Agriculture
Government of Kenya
Nairobi

and

Date: 28/6/2011

Mr Kevin Cleaver
Associate Vice-President, Programmes
IFAD
Rome

Republic of Kenya
Country Programme Evaluation

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Abbreviations and acronyms

(MoWI)	Ministry of Water and Irrigation
AfDB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
AIE	Authorization to Incur Expenditures
ASAL	arid and semi-arid lands
BSF	Belgian Fund for Food Security Joint Programme
CAADP	Comprehensive Africa Agriculture Development Programme
CBO	community-based organization
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
CPMT	country programme management team
CPO	country presence office (IFAD)
CPS	Country Partnership Strategy (World Bank)
DfID	Department for International Development (United Kingdom)
DFRD	District Focus Policy for Rural Development
ESA	East and Southern Africa Division (IFAD)
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GEF	Global Environment Facility
GTZ	German Agency for Technical Cooperation
IDA	International Development Association
IMAWESA	Improved Management of Agricultural Water in East and Southern Africa
IOE	Independent Office of Evaluation of IFAD
IPERS	Investment Programme for the Economic Recovery Strategy
KJAS	Kenya Joint Assistance Strategy
M&E	monitoring and evaluation
MoA	Ministry of Agriculture
MoCDM	Ministry of Cooperative Development and Marketing
MoFP	Ministry of Finance and Planning
MoLFD	Ministry of Livestock and Fisheries Development
ODA	Official Development Assistance
OFID	OPEC Fund for International Development
PCR	Project Completion Report
PMU	Programme Management Unit
PPA	Project Performance Assessment
SHG	self-help group
SRA	Strategy for the Revitalization of Agriculture
TAG	technical assistance grant
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WAB	Water Appeals Board

Abbreviations for Project Titles

CKDAP	Central Kenya Dry Area Smallholder and Community Services Development Project
EPHTFCP	Eastern Province Horticulture and Traditional Food Crops Project
MKEPP	Mount Kenya East Pilot Project for Natural Resource Management
PROFIT	Programme for Rural Outreach of Financial Innovations and Technologies
SDCP	Smallholder Dairy Commercialization Programme
SHOMAP	Smallholder Horticulture Marketing Programme
SNCDP	Southern Nyanza Community Development Project
WSP	Water Services Provider

Republic of Kenya
Country Programme Evaluation

Main report

I. Evaluation objectives, methodology and processes

A. Introduction

1. 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 was conducted in accordance with the provisions of the 2003 IFAD Evaluation Policy[2] and the IOE Evaluation Manual.[3] Table 1 below provides a snapshot of IFAD's engagement in Kenya since 1979.

Table 1
Key Data on IFAD-assisted Operations in Kenya

First IFAD-funded project	1979
Total projects approved to date	15
Total amount of current IFAD financing in loans	US$175 million
Lending terms	Highly concessional[4]
Counterpart funding from Government and beneficiaries (current)	US$72 million
Cofinancing (current)	US$131 million
Total portfolio costs (current)	US$378 million
Sub-sector focus of operations	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
Cofinanciers	Alliance for a Green Revolution in Africa (AGRA), Belgian Fund for Food Security Joint Programme (BSF), Global Environment Facility (GEF), OPEC Fund for International Development (OFID), Swedish International Development Agency (SIDA), United Nations Development Programme (UNDP), and the World Bank, (IDA)
Number of ongoing projects	Six
Total grant amount	US$15 million approved for ongoing projects since 1989[5] US$ amount for large and small regional grants unknown
Past cooperating institutions, responsible for project supervision and loan administration	World Bank and United Nations Office for Project Services
IFAD country office in Nairobi	Since 2008
Responsible IFAD organizational unit for Kenya country programme	East and Southern Africa Division
Number of IFAD country programme managers (CPMs) for Kenya since mid-1990s	Five: Edward Heinemann, (12.94-5.98), followed by Radcliff Williams (until 2.01), Marian Bradley (until 4.07), Robson Mutandi (until 7.10) and Samuel Eremie (current)
Current CPM	Since July 2010
Principle Government interlocutor	Ministry of Agriculture

[2] Approved by the Executive Board in April 2003 (document EB 2003/78/R.17/Rev. 1). Also available on: www.ifad.org/evaluation/policy/index.htm.
[3] Available on: www.ifad.org/evaluation/process_methodology/doc/manual.pdf.
[4] IFAD provides loans on highly concessional, intermediate and ordinary lending terms. Its Lending Policies and Criteria stipulate that special loans on highly concessional terms shall be free of interest but that they shall bear a service charge of 0.75 per cent per annum and have a maturity period of 40 years, including a grace period of ten years.
[5] Source: IFAD - PPMS, Country Portfolio Summary.

B. Evaluation Objectives, Methodology and Processes

2. **Objectives.** 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 formulation of the forthcoming Kenya results-based country strategic opportunities programme (COSOP), which will be prepared by IFAD and the Government of Kenya following the completion of the evaluation.

3. **Methodology.** The CPE included a performance assessment of three mutually reinforcing pillars of the country programme, namely: (i) the project portfolio; (ii) non-lending activities, including knowledge management, policy dialogue and partnership building; and (iii) the COSOP performance.

4. Internationally recognised evaluation criteria - as also captured in the evaluation manual - have been used to assess performance in each of the three areas referred to in the previous paragraph. The definition of each criteria used may be found in annex II of the report. Moreover, rating on a scale of 1 to 6 – with a score of 1 being the lowest and 6 the highest[6] – have been provided by IOE for each criteria applied in this evaluation. Throughout the CPE, efforts have been made to identify the proximate causes of good or less-good performance (i.e. the *Why Factor)*, which is critical for generating insights and lessons that can contribute to achieving better development results on the ground in the future.

5. In terms of assessing the project portfolio, the CPE covered seven of the 15 operations financed by IFAD in Kenya (see table 2 for data on the seven projects covered). Six of the seven projects covered were approved in the year 2000 or after that. Of the seven projects studied in the evaluation, five are presently ongoing and two have closed. All the other eight projects funded by IFAD in Kenya were approved by the Board between 1979 and 1996. These eight projects were excluded from the CPE, given that they were designed 15 years or more ago and as such might not provide the basis for generating relevant lessons for the future. Annex IV of this report contains basic data on all the 15 projects funded by IFAD in Kenya.

6. The assessment of non-lending activities entails a review of the relevance, effectiveness and efficiency of the combined efforts of IFAD and the Government in promoting policy dialogue, partnership-strengthening and knowledge management. The exercise culminates in an overall rating and assessment for non-lending activities.

7. Building on the findings from the project portfolio performance and results of non-lending activities, the CPE presents an assessment of the performance of the Kenya COSOPs. This assessment focuses on reviewing the relevance and effectiveness of country strategy. In this regard, the CPE focuses on reviewing the only two COSOPs that have been produced for Kenya dated 2002 and 2007, respectively.

8. While the CPE assesses the three pillars of the country programme individually (see paragraph 3 above), it also evaluates the synergies across the seven loan-funded projects, the loans and grants, as well as the loans, grants and non-lending activities. This has allowed the CPE to ultimately generate a composite rating and overall assessment for the IFAD and Government partnership in reducing rural poverty in the last ten years or so.

[6] 1: highly unsatisfactory, 2: unsatisfactory, 3: moderately unsatisfactory, 4: moderately satisfactory, 5: satisfactory, and 6: highly satisfactory.

Table 2
IFAD-assisted Projects Covered by the CPE

Project Name	*Total project cost US$ million*	*IFAD current financing (loan) US$ million*	*Executive Board approval*	*Loan effectiveness*	*Closing date*	*Status*
19. **Eastern Province Horticulture and Traditional Food Crops Project (EPHTFCP)**	27.9	10.9	2.12.93	14.7.94	30.6.07	Closed
20. **Central Kenya Dry Area Smallholder and Community Services Development Project (CKDAP)**	18.1	10.9	7.12.00	1.7.01	30.6.11	Closed[7]
21. **Mount Kenya East Pilot Project for Natural Resource Management (MKEPP)**	25.7	16.7	11.12.02	1.7.04	31.3.12	Ongoing
22. **Southern Nyanza Community Development Project (SNCDP)**	23.7	21.4[8]	18.12.03	10.8.04	31.3.12	Ongoing
23. **Smallholder Dairy Commercialization Programme (SDCP)**	19.8	18.4[9]	13.12.05	12.7.06	31.3.13	Ongoing
24. **Smallholder Horticulture Marketing Programme (SHOMAP)**	26.6	23.9[10]	18.4.07	23.11.07	30.6.14	Ongoing
25. **Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT)**	83.2	29.9[11]	16.9.10	22.12.10	30.6.17	Ongoing
Total	**225**	**132.1**				

9. **Process.** The CPE entailed five mutually reinforcing phases and production of specific deliverable(s):

(i) **Preparatory phase.** During this phase, IOE developed the CPE approach paper, which outlined the evaluation's objectives, methodology, process, timelines, key questions and related information. This was followed by a preparatory mission to Kenya in October 2009 to discuss the draft approach paper with Government and key partners. More importantly, project performance assessments (PPAs) were conducted by IOE for two of the seven projects (i.e., the Eastern Province and Mount Kenya Projects) assessed by the CPE. The aim of the PPAs was to collect primary data from the field, in order to strengthen the evidence base for the CPE. The reason for selecting the Eastern Province project was because it was the only operation that had already been closed at the time of the evaluation, thus enabling a thorough appreciation of results and impact. The Mount Kenya project was chosen because of its pilot nature and because it was larger in terms of both IFAD loan amount and total project cost, as compared to the Central Kenya project – the second oldest project in the portfolio examined by the CPE. The PPAs

[7] The project has completed its activities in December 2010. However, as per standard procedures, the IFAD loan remains open till mid-2011 in order to make disbursements against any pending withdrawal applications.
[8] Including supplementary loan approved by the Board in Dec 2008 of US$5.9 million.
[9] Including a country specific grant for US$845,000 to finance long-term international technical assistance, policy development, the stakeholder validation process, and pilot activities in goat's milk production for women.
[10] Including a country specific grant for US$500,000 to support development of the horticulture policy.
[11] Including a country specific grant for US$600,000 for technical assistance, training and studies.

were conducted in October-November 2009, and they both followed IOE's standard methodology for project evaluations.

(ii) **Desk work phase.** A desk review note was prepared on each IFAD-funded project covered by the evaluation as well as on non-lending activities and COSOP performance. These individual desk review notes were consolidated into a desk review report, issued in May 2010. The desk review notes and consolidated report provided an initial assessment of the country programme, and at the same time, underlined issues and hypotheses to be further explored during the country work phase of the CPE. In addition to the aforementioned, the IFAD CPM for Kenya prepared a self-assessment on the country programme based on the evaluation framework.[12] The CPMs self-assessment may be seen in annex VII of the report. Similarly, the managers of five[13] of the seven IFAD-supported projects covered by the CPE were invited to prepare their own self- assessments. A summary of the latter is included in annex VI.

(iii) **Country work phase.** The most important activity in this phase entailed the fielding of a multidisciplinary team of consultants who spent four weeks in Kenya in February/March 2010 and travelled to four provinces to visit the five ongoing interventions at the time (Central Kenya, Mount Kenya, Southern Nyanza, Smallholder Dairy Commercialization, and Smallholder Horticulture Marketing Projects). Project activities were reviewed on the ground, and discussions held with beneficiaries and their groups, provincial and district authorities, project management staff, NGOs and other partners. The team also held discussions in Nairobi with government officials, donor organizations, the Equity Bank and others. An aide-mémoire[14] produced at the end of the mission was presented at a CPE wrap-up meeting in Nairobi in March 2010.

(iv) **Report writing phase.** As per usual practice, IOE conducted a comprehensive internal peer review on the draft CPE report prepared after the country work phase. The IOE internal peer reviewers acknowledged the overall good quality of the draft report. However, given the importance of the IFAD-Kenya partnership, IOE considered it important to conduct a post-CPE mission to Kenya for one week in January/February 2011,[15] to collect additional information about the country programme. In particular, *inter-alia,* the post-CPE mission was able to hold discussions with Government and Equity Bank, which is involved in the Financial Innovations and Technologies Project. This project was approved by the Board in September 2010, after the main CPE mission had been fielded. The additional information collected during the post-CPE mission has allowed IOE to also include an assessment of the Financial Innovations and Technologies Project in the project portfolio analysis, thus ensuring the CPE provides an updated assessment of all operations funded by IFAD in the country in the last decade. The draft CPE report was shared with the East and Southern Africa Division and thereafter with the Government of Kenya for comments, which have been duly considered before the report's finalization.

[12] The evaluation framework was included in the approach paper. It is a matrix which maps out the key questions to be covered by the CPE, the instruments of data collection, and the sources of data and information to enable a rigorous and objective evaluation. The Kenya CPE (evaluation) framework has been reproduced in annex I of this report.

[13] CKDAP, MKEPP, SNCDP, SDCP and SHOMAP. The self-assessments did not include the Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT), as it only became effective in December 2010.

[14] The aide-mémoire captured the mission's initial findings and conclusions from the field visits and discussions with various partners.

[15] The time lag between the main CPE mission and the post-CPE mission is due to the unforeseen departure from IFAD of the designated lead evaluator (Paul André Rochon, Senior Evaluation Officer) for the Kenya CPE. This required IOE Director to designate a new lead evaluator (Ashwani Muthoo, Deputy Director) to finalise the analysis and complete the evaluation report and process.

(v) **Finalization of the evaluation, including communication and dissemination.** The final phase of the evaluation entailed a range of communication activities to ensure timely outreach of the main lessons from the Kenya CPE. In particular, a CPE national roundtable workshop was held in Nairobi on 8 June 2011, with a view to discussing the main results and recommendations from the evaluation and generating inputs for the CPE's agreement at completion point (ACP).[16] The ACP was signed by the Permanent Secretary in the Ministry of Agriculture (MoA) on behalf of the Government of Kenya and the IFAD Associate Vice President of Programmes. All the main deliverables from the CPE have been made available to the IFAD Management and staff, Government of Kenya, IFAD's Executive Board, as well as to the public at large through the dedicated IOE web pages on IFAD's corporate website (ww.ifad.org/evaluation).

Key Points

- This is the first ever Kenya CPE by IOE.
- The main objectives of the CPE were 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 formulation of the forthcoming Kenya results-based country strategic opportunities programme (COSOP), which will be prepared by IFAD and the Government of Kenya following the completion of the evaluation.
- The CPE process included five main phases: (i) preparatory; (ii) desk work; (iii) country work; (iv) report writing; and (v) communication and dissemination.
- The evaluation was undertaken following the provisions contained in the IFAD Evaluation Policy and Evaluation Manual.
- The CPE made an assessment of: (i) the IFAD-funded project portfolio; (ii) non-lending activities (knowledge management and policy dialogue); and (iii) the only two COSOPs for Kenya prepared in 2002 and 2007. Based on the aforementioned, the CPE developed an overall assessment of the Government and IFAD partnership in reducing rural poverty in the country in more or less that last decade.

II. Country context

A. Overview[17]

10. **Geography and demographics.** Kenya is situated on the East African coast on the equator, and borders Ethiopia and Sudan to the north, Somalia and the Indian Ocean to the east, the United Republic of Tanzania to the south and Uganda and Lake Victoria to the west. The country encompasses a total of area[18] of 582,646 km² and has a population of around 39.8 million. Around 80 per cent of the population lives in rural areas (i.e. around 31 million). The population density (i.e., the number of persons living per square kilometre) was 68.1 in 2008.

11. Arid and semi-arid lands (ASALs) make up more than 80 per cent of the country's land mass and are home to over 30 per cent of the population, and 17 per cent of that area is considered to be high-potential agricultural land sustaining the majority of the population. Agricultural land covers about 33 per cent of the country. Population growth is still high at 2.7 per cent per year, despite having dropped from 3.8 per cent in the late 1980s. This may be attributed to effective family planning policies and the impact of HIV/AIDS. Average annual rainfall is 630 mm in a bimodal distribution pattern, with wide variations from less than 200 mm in the Chalbi Desert in the north to more than 1,800 mm on the slopes of Mount Kenya.

[16] The ACP contains a summary of the main evaluation findings. It also includes the CPE recommendations that the Government and IFAD Management agreed to adopt and implement within specific timeframes.
[17] Data in this section is drawn mostly from World Bank's World Development Indicators Database, December 2010 as well as from the IFAD Rural Poverty Portal.
[18] Source: http://www.britannica.com/EBchecked/topic/315078/Kenya.

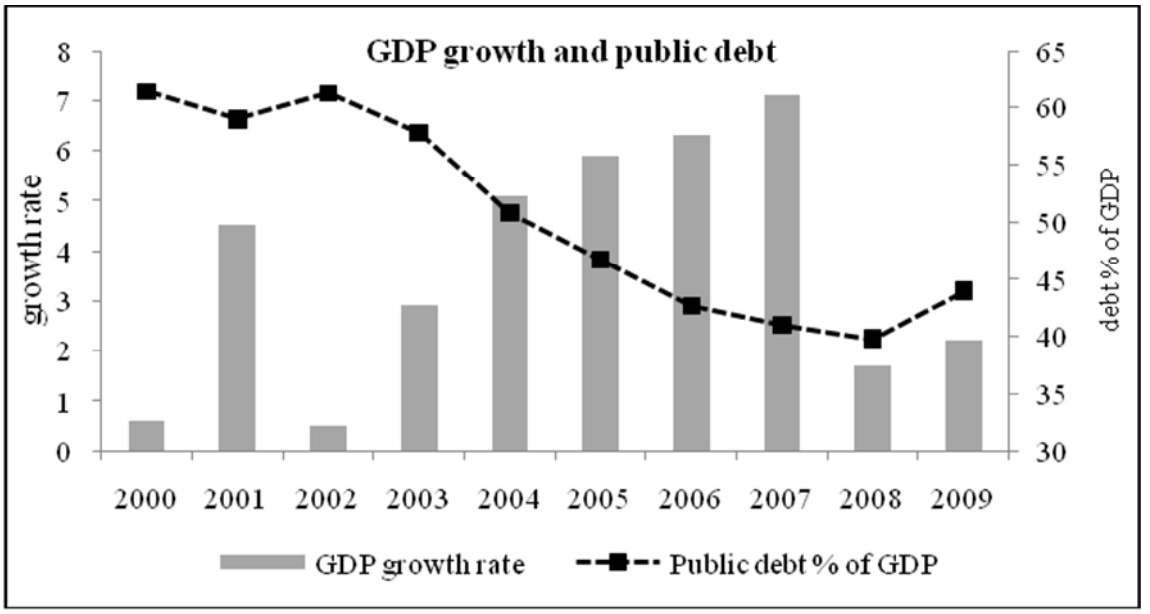
12. Kenya used to have eight provinces, namely Central, Coast, Eastern, Nairobi, North Eastern, Nyanza, Rift Valley and Western. The provinces were sub-divided into districts, which were further sub-divided in divisions. The divisions are subdivided into 2,427 locations and then 6,612 sub-locations. Under the new 2010 Constitution, the country is now divided into 47 counties. The country's major cities are Nairobi with a population of around 3 million, followed by Mombasa with around 707,000 inhabitants.

13. **Economy.** In 2009, gross domestic product (GDP) was estimated at US$29.38 billion overall, and the GDP per capita is around US$738. GDP has been highly variable over the years, and generally declined from an annual growth of 7 per cent in the 1960s to 4 per cent in the 1980s and 2.4 per cent in the 1990s.[19] Poor economic performance has been attributed to: (i) frequent unfavourable weather conditions that have had an adverse impact on the productive sectors, especially the agriculture sector; (ii) deteriorating physical infrastructure and high energy costs, which have substantially increased the cost of conducting any business ventures; and (iii) poor governance and security, which reduced investor confidence, discouraged the private sector and restrained resource flows from bilateral and multilateral donors. GDP growth increased as of 2003 and reached about 7 per cent in 2007 as the result of a more conducive policy environment and rapid expansion of the tourist and telecom sectors. However, it then plummeted to 1.6 per cent in 2008 and remained at 2.6 per cent in 2009 owing to the post-election violence in early 2008 that affected the vital tourism sector (figure 1). The highly fluctuating GDP per capita growth, averaging 0.8 per cent over the period 1997-2007, indicates that, now, the country's economy can just about keep up with the population increase, which was not the case prior to 1997. The total labour force[20] in 2008 was around 18.2 million, out of which around half were female. Three quarters of the labour force is informal. Unemployment (i.e. the per cent of labour force without jobs) was around 40 per cent in 2008.

14. An interesting insight into Kenya's economic performance was provided at a recent presentation on the 2010 Public Expenditure Review and the First Annual Progress Report on Implementation of the First Medium Term Plan of the *Kenya Vision 2030*.[21] Kenya has demonstrated sound macroeconomic management, with its public debt falling from 60 per cent to 43 per cent of GDP between 2003 and 2007, which was accompanied by attractive GDP growth rates of over 5 per cent. As explained in paragraph 13, the latter fell back to 2.6 in 2009. However, compared with neighbouring Uganda and the United Republic of Tanzania, Kenya's growth performance has been more volatile and below the average of these two benchmark countries, with an average GDP growth of 2 and 4 per cent, respectively, in the 2000s. On the other hand, total tax revenue in Kenya increased from 22 per cent in the fiscal year 2001-2002, to 35 per cent of GDP in 2008-2009. This increase can be attributed to higher individual and corporate incomes. This compares favourably to its neighbours that remain around 15 per cent of their respective GDPs.[22]

[19] Source: World Development Indicators, World Bank.
[20] The definition of labour force is the population 15 years old and over who contribute to the production of goods and services in the country. It includes those who are either employed or unemployed. Those who are neither employed nor unemployed are considered not in the labour force, e.g. persons who are not working and are not available for work and persons who are not available and are not looking for work because of reasons other than those previously mentioned. Examples are housewives, students, disabled or retired persons and seasonal workers.
[21] Dr Edward Sambili, Permanent Secretary, Ministry of State for Planning, National Development and *Kenya Vision 2030*. Presentation on the 2010 Public Expenditure Review and the First Annual Progress Report on the Implementation of the First Medium Term Plan of *Kenya Vision 2030*. Nairobi, 2010.
[22] http://www.africaneconomicoutlook.org/en/countries/east-africa/kenya/.

Figure 1
Kenya – GDP Growth and Public Debt



Source: World Bank, Kenya CPS, June 2010.[23]

15. **Human development.** Between 1980 and 2010 Kenya's Human Development Index (HDI) rose by 0.5 per cent annually from 0.404 to 0.470 today, which gives the country a rank of 128 out of 169 countries with comparable data. The HDI of Sub-Saharan Africa as a region increased from 0.293 in 1980 to 0.389 today, placing Kenya above the regional average. Kenya's population is very young, with about 43 per cent of the population under 15 years of age and most recent data[24] (2010) indicate that life expectancy at birth is 55.6 years. The 2008-2009 Kenya Demographic and Health Survey (DHS) revealed that the total fertility rate has continued its downward trend and stood at 4.6 children, the lowest ever recorded. There are nonetheless important fertility differentials across regions, with a total fertility rate of 2.9 in urban areas and 5.2 in rural areas. There has also been an important fall in childhood deaths, as the infant mortality rate in the 2008-2009 DHS shows a fall to 52 per 1,000 live births compared with 77 in 2003. Similarly, over the same period, the under-five mortality rate has decreased from 115 deaths per 1,000 live births to 74. The primary school completion rate has improved over the last decade, from 45 to 55 per cent for girls and from 53 to 65 per cent for boys. This is not yet reflected in current literacy rates for adults (aged above 15), which have only slightly improved during the last decade, and now stand at 54 and 71 per cent for women and men, respectively. Access to improved water sources and electricity is very limited, particularly in rural areas where only 11.6 per cent and 6 per cent of all women and men, have access to piped water through a house or yard connection[25] and electricity,[26] respectively. Rural people's access to other improved sources of water (public taps, covered wells, rainwater) hardly improved between 1993 and 2003, when it reached 22.7 per cent.

16. **Poverty.**[27] The poverty headcount ratio at national poverty line decreased from 52 per cent in 1997 to 46.6 per cent in 2006. Kenya had around 15.5 million rural poor people living on less than one and a half dollar per day in 2009. Although more

[23] World Bank. Country Partnership Strategy (CPS) for the Republic of Kenya for the Period FY 2010-13, Report No. 52521-KE, March 2010.
[24] http://hdrstats.undp.org/en/countries/profiles/KEN.html.
[25] Coverage Estimates of Improved Drinking Water, Kenya Joint Monitoring Programme for Water Supply and Sanitation, WHO/UNICEF, July 2008.
[26] Source: http://www.afrol.com/articles/25463.
[27] World Bank: World Development Indicators 2008.

recent poverty data are not yet available, it is expected that the serious political and economic crisis of 2008 has again increased income poverty.[28]

17. The fragile ASAL areas have the highest incidence of poverty (i.e. the per cent of people living below the poverty line), averaging about 65 per cent, and very limited access to basic services. As mentioned earlier, Kenya's ASALs are home to more than 30 per cent of the country's population. Many years of underdevelopment and poor implementation of policies in these regions mean that pressure is increasing on nomadic pastoralists in arid lands, where poverty is higher than in the rest of Kenya. Covering 80 per cent of Kenya, ASALs and the people living there contribute significantly to Kenya's economy, mainly through livestock production, which currently accounts for roughly five per cent of GDP. Most people living in arid lands are livestock producers. When droughts hit, like the one in 2006 that killed an estimated 70 per cent of their animals, the local impact is enormous and the national economy also suffers. Long-term development in these areas would not only improve people's lives but would also contribute to Kenya's economy and reduce the high costs associated with emergency drought assistance. Continuing to ignore the specific needs of ASALs will result in increased poverty and environmental degradation. The effects of drought are worse every time rains fail, as people become less and less able to recover from the last one and cope with the next.

18. **Inequality.** The poverty Gini coefficient of 45.2 (2005-2006) is similar to that of Rwanda and Uganda but above that of the United Republic of Tanzania and Ethiopia (see table 3) and higher than the one Kenya registered in 1997 (42.5). Inequality rates are even higher for reported earnings and land ownership. Gender inequality also remains a key issue in Kenya, where women account for only 30 per cent of wage employment and 24 per cent of civil service employment, mostly in lower cadres. While women contribute most agricultural labour, their access to land is limited; consequently they have less access to farm inputs, credit and extension advice, and limited involvement in cash crop production. Women are also mainly responsible for household duties, which can be onerous: indeed HIV/AIDS, climate change and other forms of livelihood stress increasingly require women to spend more time on collecting water and fuel wood and caring for the sick. Under these circumstances, it is hardly surprising that poverty among women-headed households is about five percentage points higher than among those headed by men, and that it is especially widespread in urban households headed by widows. While temporary measures to improve girls' access to education have improved gender parity in education since 2003, gender disparity persists in rural and poor areas and in higher education. Women's literacy remains markedly lower than that of men, especially in the rural areas and urban slums.[29]

Table 3
Inequality in Selected Countries

Country (years)	*Gini coefficient*
Kenya. (2005-2006)	45.2
Ethiopia (1999-2000)	30
Malawi. (2004-2005)	39
Rwanda (2000)	46.8
Tanzania, United Republic of (2000-2001)	34.6
Uganda (2002)	45.7

Source: Kenya CPS. World Bank, June 2010.

[28] World Bank. CPS for the Republic of Kenya for the Period FY 2010-13, Report No. 52521-KE, March 2010.
[29] World Bank. CPS for the Republic of Kenya for the Period FY 2010-13, Report No. 52521-KE, March 2010.

19. **Food security.**[30] Because it is not food self-sufficient, Kenya imports up to 20 per cent of its annual cereal requirements. Poverty is inextricably related to food insecurity. For the rural poor, food insecurity is exacerbated by frequent droughts, floods, inefficient food distribution and marketing systems, population growth and HIV/AIDS. Over the last decade, droughts and floods have increased in frequency and intensity**.** Severe droughts occurred between 2004 and 2006, with 3.5 million people requiring food assistance. Food poverty[31] is highest among pastoralists, agro pastoralists and marginal agriculturalists in the country's ASALs. The 2008 food security assessment of the World Food Programme (WFP) estimated that, in normal years, over half a million people in the northern arid part of the country need food assistance. Countrywide, however, an estimated 47 per cent of the rural population have insufficient food to meet their daily energy requirements.[32] Due to two average to above-average rainy seasons in late 2009 and 2010, the overall food security of vulnerable populations in pastoral and marginal agricultural areas was improving at the end of 2010.[33] Official data[34] indicate that there is a 33 per cent rate of stunting among children of up to 5 years of age, and that 20 per cent of all children are underweight. Very little progress has been made in combating chronic malnutrition over the last ten years.[35] Looking ahead, the Government of Kenya is fully cognisant of the new challenges to food security posed by climate change with increased probability of droughts; the energy gap that is raising fuel prices; all these escalating food prices and the need to import food to ensure national food security.

20. **Institutional context and governance.** In the first two decades after independence, the agricultural sector, and in turn the national economy, recorded the most impressive growth in sub-Saharan Africa at average rates of 6 per cent per annum for agriculture and 7 per cent for the national economy. This was a result of economic stability under the first president of the republic. However, widespread mismanagement in the mid-1980s to early 1990 eroded all these gains. The advent of multi-parties in the mid-1990s brought some semblance of normalcy with improved political space. A coalition government, the National Rainbow Coalition (NARC), headed by President Mwai Kibaki, took over the running of the government in 2002 with overwhelming public and international support.

21. The National Assembly is the only law-making body in Kenya and, as such, exercises control over public finances. As mentioned earlier, the country is divided into eight administrative provinces (North Eastern, Eastern, Central, Nairobi, Coast, Western, Nyanza and Rift Valley), further subdivided into districts, which serve as focal points for rural development.[36] The central government appoints a commissioner for each district and province. Devolution of power to the lower tiers of government is on the agenda for constitutional change but, historically, Kenya has been administered from the centre through a number of line agencies, each reporting to a minister. Local authorities govern their respective areas and are accountable to the Ministry of Local Government. Local council members are elected every five years at the time of the general elections. Political parties also nominate council members in proportion to the number of votes they receive during the

[30] This section is mainly drawn from the World Food Programme (WFP) Country Programme for Kenya, 2009-2013.
[31] The Kenya Integrated Household Budget Survey 2005/2006 classifies households as facing food poverty when their food consumption levels "are insufficient to meet their basic daily energy requirements of 2,250 kilocalories per adult equivalent". Food poverty is measured by consumption expenditure, designated as less than KES 988/month for rural inhabitants and less than KES 1,474/month for urban inhabitants.
[32] Source: Basic Report on Well Being in Kenya, Kenya National Bureau of Statistics, 2006.
[33] http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance/countries/kenya/template/ fs_sr/fy2010/kenya_fi_fs09_09-30-2010.pdf (February 2011).
[34] Source: Kenya Integrated Household Budget Survey, 2005/06.
[35] Source: Ministry of Health, University of Nairobi, SOMANET, UNICEF, 2000. Anaemia and the Status of Iron, Vitamin A and Zinc in Kenya in: WFP Country Programme for Kenya, 2009-2013.
[36] An ongoing administrative and territorial reform in Kenya has led to a sharp increase in the number of districts, from 71 in 2007 to 258 in 2010.

elections. The councillors then elect their mayor and chairperson and their deputies. District commissioners are appointed civil servants.

22. Over the last two decades or so, governance has been recognized as a major constraint to economic growth and poverty reduction in Kenya. The World Bank Development Research Group measures[37] six governance attributes for all countries: (i) voice and accountability; (ii) political stability and absence of violence; (iii) government effectiveness; (iv) regulatory quality; (v) rule of law; and (vi) control of corruption. For the 13 years measured between 1996 and 2009, as shown in table 4, all Kenya's scores fell in negative territory. Kenya improved its voice and accountability significantly more quickly than other countries when it transformed itself from a one-party state, but with regard to all other attributes other than control of corruption, it regressed compared with other countries. The 2010 corruption perception index of Transparency International ranks Kenya 154 out of 178 countries assessed.

23. On the other hand, Kenya continues on a path of slow growth in spite of the challenges. Kenya is a dynamic African nation in political and economic transition and aiming to progress into an emerging market status. The hopes contained in *Kenya's Vision 2030* are not all idle dreams. Significant changes have happened in Kenya recently that will have a bearing on activities in the agricultural sector. A new Constitution has been overwhelmingly voted into existence, bringing with it both opportunities – improved governance and accountability, devolvement to the grass-roots – and challenges – possibility for more tightly constrained budget as the new national governance system is implemented with attendant adjustment costs potentially reducing resources available for development programmes, and legislative ones as Parliament strives to enact a large number of new laws.

Table 4
World Bank Governance Ratings for Kenya

Governance Indicators	*2009*	*2007*	*2005*	*2003*	*2000*	*1998*	*1996*
Voice and accountability	-0.32	-0.13	-0.21	-0.40	-0.79	-0.87	-0.83
Political stability	-1.30	-1.08	-1.08	-1.17	-1.16	-0.97	-0.72
Government effectiveness	-0.66	-0.57	-0.80	-0.71	-0.66	-0.74	-0.20
Regulatory quality	-0.17	-0.26	-0.30	-0.16	-0.30	-0.36	-0.36
Rule of law	-1.07	-0.95	-0.94	-1.01	-0.98	-1.17	-1.11
Control of corruption	-1.11	-0.92	-1.02	-0.85	-1.03	-1.16	-1.08

Source: World Governance Indicators http://info.worldbank.org/governance/wgi/index.asp (February 2011).

24. **Policies for economic growth and poverty reduction.** The Government's first long-term economic development plan was outlined in the *National Poverty Eradication Plan* for the period 1999-2015, which was designed to address poverty and espoused the Millennium Development Goals (MDGs), particularly that of reducing poverty by half by 2015. To be able to benefit from International Monetary Fund and World Bank support, the Government prepared an *Interim Poverty Reduction Strategy Paper* for the period 2000-2003, which aimed *inter alia* at improving governance, security, equity and people's participation. After the new government came to power at the end of 2002, an *Economic Recovery Strategy (ERS) for Wealth and Employment Creation* was prepared for the period 2003-2007. This changed the thrust of the poverty reduction strategy paper, emphasizing economic growth and greater support for the private sector as the drivers of poverty reduction. It also reiterated the interim PRSP's two additional pillars of poverty reduction, namely, equity and improved targeting in ensuring access of the poor to basic services, and better governance, including the strengthening of public safety, law and order.

[37] The units of measure follow a normal distribution with a mean of zero and a standard deviation of one in each period, resulting in scores generally falling between +2.5 and -2.5.

25. *Kenya Vision 2030*[38] is the country's new development blueprint, replacing the National Poverty Eradication Plan and covering the period 2008-2030. Its overall objective is to bring about a greater and more sustainable growth of the economy in a more equitable environment, accompanied by increased employment opportunities. Agriculture, livestock and fishing is one of six priority sectors[39] expected to deliver 10 per cent annual growth. Special attention is to be given to investment in ASAL districts, communities with a high incidence of poverty, unemployed youth, women and all vulnerable groups.

26. The Kenya Medium-Term Plan 2008-2012 is the first in a series of successive five-year plans to implement *Kenya Vision 2030*. The Government of Kenya appears on course in terms of its commitment to market reforms. This is not expected to change and this is good for most development partners including IFAD given its growing commitment to market driven commercialization of smallholder agriculture.

B. Agriculture and Rural Development[40]

27. **Agriculture** is the cornerstone of Kenya's economy. It contributed around 28 per cent of GDP in 2009. The sector accounts for 65 per cent of Kenya's total exports and provides more than 19 per cent of formal employment. The agriculture sector comprises of six sub-sectors – industrial crops, food crops, horticulture, livestock, fisheries, and forestry – and employs such factors of production as land, water and farmer institutions (cooperatives, associations). Industrial crops contribute 17 per cent of the agricultural GDP and 55 per cent of agricultural exports. Horticulture is now the largest sub-sector and contributes 33 per cent of agriculture GDP and 38 per cent of export earnings. Food crops contribute 32 per cent of agriculture GDP but only 0.5 per cent of exports, while the livestock sector contributes 17 per cent of the agricultural GDP and 7 per cent of exports. It also contributes 7 per cent of the country's overall GDP. Livestock and fisheries sub-sector have huge potential for growth that has not been exploited. The main food crops are maize (1.6 million ha in 2007), wheat, sorghum, millet, cassava, potato and sweet potato. Main exports are tea, coffee and fresh vegetables. Livestock plays a major role in food security and the economy, particularly in ASAL areas where it accounts for approximately 90 per cent of employment and 95 per cent of household income.

28. In Kenya, growth of the national economy is highly correlated to growth and development in agriculture. In the first two decades after independence, the agricultural sector, and in turn the national economy, recorded the most impressive growth in sub-Saharan Africa at average rates of 6 per cent per annum for agriculture and 7 per cent for the national economy. During this period, small-scale agriculture grew rapidly. This growth was spurred by expansion because there was ample land and better use of technology. Moreover, agricultural extension and research were supported by the Government. The Government also established and supported many agricultural institutions such as farmer cooperatives and those for agricultural inputs, marketing, credit and agro-processing. Budgetary allocation to the agricultural sector during this period was at an average of 13 per cent of the national budget.

29. However, this growth was not sustained. Between 1980 and 1990 the sector recorded an average annual growth rate of 3.5 per cent that reduced to 1.3 per cent in the 1990s. The main reasons for this decline were low investment in the sector, mismanagement, virtual collapse of agricultural institutions and, more importantly, negligence of agricultural extension and research. Investment in the sector was at its lowest during this time with budgetary allocation declining to as low as 2 per cent or less of the national budget.

[38] *Kenya Vision 2030* – Popular Version, 2007.
[39] Together with tourism, wholesale and retail trade, manufacturing, business process outsourcing, and financial services.
[40] This section largely draws on the Government's Agriculture Sector Development Strategy 2010-2020, second reprint 2010.

30. The decline in growth started to reverse in the first half of 2000 when the average growth rate picked up to 2.4 per cent. The Government identified the agricultural sector as a priority, hence key to economic growth. It gradually started to put more investment in the sector and to increase its budgetary allocation to an average of 4.5 per cent of the national budget. By 2008, the sector was receiving 4.5 per cent of the budget. These gains were set back by the violence following the 2007 general elections, the crises caused by escalating global food and fuel prices of 2008, and the financial crises of 2008/09 to the extent that the agricultural sector reflected a negative 2.5 per cent in 2008. It is imperative that this recent downward trend is arrested quickly to put agriculture back on the trajectory of 2003-2007. This is possible since the plans and institutions that spurred growth in 2007 are intact and can be made more efficient and effective.

31. About 80 per cent of all people working in agriculture are smallholders. Small-scale farmers account for over 75 per cent of the total national agricultural output, producing 70, 80 and 70 per cent, respectively, of the country's maize, milk, and beef. The cultivated area was about 5.73 million ha in 2005, of which 5.26 million ha were arable land and 0.47 million ha sown to permanent crops. The crucial roles played by women have been highlighted as well by Morel-Seytoux (2000).[41] In the gender review of the United States Agency for International Development (USAID) programmes in Kenya, it was established that women were key agricultural producers in Kenya, as well as throughout the East Africa region, contributing to 75-80 per cent of all labour in food production and 50 per cent in cash crop production – while receiving only 7 per cent of agricultural extension information. In addition to labour contributions, women are increasingly becoming farm managers and heads of farm households, with estimates that over 40 per cent of all smallholder farms are managed by women in Kenya. Additionally, 47 per cent of micro- and small-enterprises are women-owned, with recent data suggesting that this number will continue to rise. This is a positive development for women, albeit that credit is still out of reach for them.

32. The 2010-2020 Agriculture Sector Development Strategy identifies a number of challenges and constraints to enhancing the performance of the agriculture sector. These include: inadequate national budget allocation, reduced effectiveness of extension services, low absorption of modern technology, high costs and increased adulteration of key inputs, limited capital and access to affordable credit, pre-and post-harvest losses, heavy livestock losses to disease and pest, low and declining soil fertility, inappropriate legal and regulatory framework, inadequate disaster preparedness and response, multiple taxes, weak surveillance of offshore fishing, inadequate infrastructure, insufficient water storage infrastructure, inadequate storage and processing facilities, inadequate markets and marketing infrastructure, HIV/AIDS, malaria, water-borne and zoonotic diseases.

33. At the same time, the strategy identifies a number of opportunities. These include: abundant human resources, new and expanding domestic, regional and international markets, potential for increasing production of traditional commodities including the vast livestock potential in the ASALs and fisheries potential of the Indian ocean, vast irrigation potential which is severely underexploited, potential for increasing yields of crops and livestock, and value addition including processing, branding, quality certification as well as farm-level quality improvements that the market values.

34. More specifically, Kenya's agriculture is predominantly rainfed. Of the total land areas under agriculture, irrigation accounts for only 1.7 per cent but contributes to 3 per cent of the GDP and provides 18 per cent of the value of all agriculture

[41] Morel-Seytoux, S. 2000. Review of Gender Issues in the USAID/Kenya Integrated Strategic Plan (ISP) 2001-2005: Democracy and Governance, Economic Growth, Population and Health, and Natural Resources Management; Development Alternatives Inc.; International Center for Research on Women Academy for Educational Development; Development Associates, Inc., Washington, DC.

produce, demonstrating its potential in increasing production and productivity. Kenya has an estimated irrigation potential of 1.3 million ha, yet currently merely 114,600 ha of irrigation have been developed. Of the available irrigation potential, 540,000 ha can be developed with the available water resources, while the rest of the area will require water harvesting and storage.

A farmer changes the position of a sprinkler in a carrot field.
Source: Giacomo Pirozzi (IFAD)

35. Less than 20 per cent of Kenya's land mass has medium to high agricultural potential and supports about 70 per cent of the population. The remaining 80 per cent lies in the ASALs, where sustainable rainfed crop production is limited by water deficits – an indication that the country's potential for rainfed agriculture is low, which alone cannot meet the challenge of achieving food security. There is pressure on land with agricultural potential and population migration to the ASALs is likely to increase.

36. **Institutional framework for delivering agricultural services.** The agriculture sector in Kenya is characterized by a complex institutional setting with no less than 10 ministries. In July 2003, responsibility for agriculture was divided between three ministries, namely, MoA, Ministry of Livestock and Fisheries Development (MoLFD) and Ministry of Cooperative Development and Marketing (MoCDM). The latter was established in recognition of the importance of the cooperative movement in procuring agricultural and livestock inputs, marketing outputs and organizing finance for cooperatives in the agricultural economy. MoCDM was expected to revitalize the growth and development of a viable cooperative movement through developing policies, programmes and enabling environments that would allow any cooperative movement to prosper. There are 31 parastatals under the MoA umbrella, and three parastatals and two statutory bodies under the MoLFD umbrella. As the CPE will show, another parastatal, the Kenyan Agricultural Research Institute (KARI), was instrumental in developing new agricultural technologies, many of them for improved crop varieties, which the IFAD projects/programmes under review were able to select and promote for adoption.

37. The agricultural sector ministries established the Agricultural Sector Coordination Unit (ASCU) in 2005 to address the fragmentation of responsibilities between agriculture and rural development-related ministries, development partners and the private sector. As the Government decentralizes decision-making to stakeholders, the local-level governance and development structures will eventually become more

involved in managing development activities at community level. The local-level governance and development structures will, through appropriate participatory methodologies, determine the priority development aspirations and initiatives of their communities and lead in their implementation. ASCU will link the sector players and provide an enabling environment for sector-wide consultations along the various levels of implementation, from the division to district to national level.

38. **Government strategies for agriculture and rural development.** An early framework for rural development was the 1983 District Focus Policy for Rural Development (DFRD). The idea was that DFRD would broaden the base of rural development by encouraging greater participation and thereby facilitate the identification of problems, mobilize resources and develop and implement project designs. But there were serious drawbacks. District-level authorities often lacked the necessary resources and expertise to meet their responsibilities, and only a few financial delegations were made to them. Development committees were often made up of representatives of line ministries reluctant to devolve responsibilities to the district level.[42] District officials were not elected. Kenya's administrative structure remained very hierarchical and centralized.

39. In 2001, DFRD was followed by the Kenya Rural Development Strategy, which departed from DFRD in its strong focus on the empowerment of rural beneficiaries; the need to strengthen budget execution to ensure that resources reached communities; combating corruption; and involving the private sector, NGOs and community-based organizations (CBOs) in rural development. While the strategy was never implemented, much of its thinking was incorporated into the ensuing PRSP.

40. The new Millennium coincided with greater donor focus on poverty reduction. The World Bank required countries to produce a PRSP as a condition for access to new concessional lending. The Agriculture and Rural Development Sector chapter in the interim PRSP underscored the critical importance of high and sustainable agricultural growth in order to reduce poverty. The subsequent IP-ERS[43] was concerned to reverse recent trends of low growth in agriculture and promised comprehensive and far-reaching reforms to promote productivity growth and lower the costs of agricultural inputs, particularly among smallholders and subsistence farmers.

41. In March 2004, MoA, MoCDM and MoLFD jointly launched the *Strategy for Revitalization of Agriculture (SRA), 2004–2014* as a sector response to the ERS. The strategy addressed the poor performance of the agricultural sector and sought to redefine the role of the Government in developing the sector. It also envisaged making the agriculture sector more commercially oriented, competitive and capable of attracting private investment and providing higher incomes and employment. The role of government (which was left to a certain amount of interpretation) seemed to be focused on providing a limited range of services and carrying out regulatory functions that were inappropriate for self-regulation governed by industry codes of conduct.

42. At the time, the Government established an agriculture sector coordination unit to organize the implementation of the strategy. The idea was that the unit would coordinate the three rural sector ministries (each of which would post two members to the unit) and be supported by three advisors funded respectively by the United States Agency for International Development (USAID), Danish International Development Assistance (DANIDA) and the German Agency for Technical Cooperation (GTZ, now named GIZ). The unit has addressed its responsibilities primarily through the establishment of a number of thematic working groups

[42] Poole, Joyce H. and Leakey, Richard E., Kenya in Lutz, Ernst and Caldecott, Julian Oliver ed, Decentralization and Biodiversity Conservation, World Bank, 1996, pages 55-63.
[43] Government of Kenya, Investment Programme for the Economic Recovery Strategy for Wealth and Employment Creation, 2003-2007, 2004.

(TWGs), the first four of which were to examine policy, extension and research, food security, and trade and markets. The SRA was widely endorsed by Kenya's development partners, who have done much to harmonize their programmes with the SRA and, for certain sub-sectors, have established a basket funding mechanism to support mutually agreed SRA activities.

43. The new Agriculture Sector Development Strategy (ASDS) 2010-2020 was defined in 2010, to build further on the gains made by the SRA. The ASDS overall goal is to achieve an average growth rate of 7 per cent per year in agriculture over the next 10 years. The growth of the agriculture sector is anchored in two strategic thrusts: (i) increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises; and (ii) developing and managing the key factors for production. The sub-sector strategic focus of the ASDS is: (i) crops and land development; (ii) livestock development including in the ASALs which are richly endowed with natural resources that can be used to develop meat, honey, gum and resin, and emerging livestock industries; (iii) fisheries sub-sector; and the (iv) cooperative development. In terms of production factors strategic focus, the ASDS would prioritise: (i) improving water resources and irrigation development; (ii) land use; (iii) developing Northern Kenya and other ASALs; (iv) improving management of the environment and natural resources; (v) developing river basins and large water body resources; and (vi) forestry and wildlife resources.

44. A Medium-Term Investment Plan (2010-2015) has been prepared and reflects the Government's comprehensive sector-wide approach to agricultural development and food security enhancement. It captures the diversity of agro-ecological conditions facing sector participants. Its proposed investment areas emerge from the strategic thrusts prioritised in the ASDS. An important observation is the need for additional analysis on value-chain approach for specific commodities. For these strategies to succeed the Government has re-asserted commitment to market reforms, especially divesture from public enterprises as well as reforming and streamlining research, extension and educational institutions. With an estimated 8.5 million farmers who are mostly smallholder producers, the MoA plans to classify these farmers so as to differentiate them along lines of potential for commercial production and participation. The ASDS also places emphasis on Government's partnership with the business sector and civil society.

45. **Government strategies for water and sanitation.** From the 1990s, when efforts to achieve the MDGs began, Kenya had been increasing access to water and sanitation services by only a few percentage points every five years, as presented in the table 5 below.

Table 5
Movement Towards Meeting the Millennium Development Goals for Water and Sanitation

	Years, Percentage of Population				
Use of	*1990*	*1995*	*2000*	*2005*	*2008*
Improved water sources, urban	91	89	87	85	83
Improved water sources, rural	32	38	43	48	52
Improved water sources, total	**43**	**48**	**52**	**56**	**59**
Improved sanitation facilities, urban	24	25	26	27	27
Improved sanitation facilities, rural	27	28	30	31	32
Improved sanitation facilities, total	**26**	**27**	**29**	**30**	**31**

Source: Joint Monitoring Programme, WHO and UNICEF, 2010.

46. Realizing the slow pace in developing water services, and in line with the wider reform agenda, the Government was obliged to make a series of critical reviews and policy pronouncements on sector development and management. The sector reforms took form and shape with the development, in 1999, of a sector policy paper, Sessional Paper No. 1 of 1999 on the National Policy on Water Resources

Management and Development (the Water Policy).[44] The policy became the blueprint for sector development and proposed a broad paradigm shift – for the role of the Government to change from that of a service provider to facilitator and regulator of other sector players. The reforms, which were wide-ranging, were given a legal kick-start with enactment of the Water Act of 2002,[45] implementation of the reforms began immediately thereafter in 2003.

47. While the Ministry of Water and Irrigation (MoWI) retained the policy formulation role, the Water Act separated the management of water resources and development of water services and transferred their regulation to the Water Resources Management Authority and the Water Services Regulatory Board, respectively. The Act further decentralized service provision by creating regional water service boards for water service provision, and catchments area advisory committees for water resources management. Other key institutions created by the Act include the Water Services Trust Fund and the Water Appeals Board (WAB). The role of the Water Services Trust Fund is to assist in the financing water supply projects in areas that are inadequately provided for. On its part, the WAB's responsibility is to mediate any disputes that may arise between the different stakeholders in the water sector. The reforms have now been completed and all the institutions created by the Act are in place and operational.

48. Of particular relevance to the water supply facilities supported under the IFAD-funded country portfolio is the Act's requirement that the Water Services Boards (WSBs) should delegate service provision to more localized Water Service Providers (WSPs). The WSPs may be individuals, NGOs, CBOs and other community and self-help groups (SHGs). The WSBs have continued to appoint WSPs, which enter into service-provider agreements that contain performance benchmarks developed by the Water Services Registration Board. Some of the projects implemented under the IFAD-funded portfolio, such as the large piped schemes, may qualify as WSPs.

49. Now, in view of recent draughts, water and irrigation have become one of the up most urgent issues in Kenya. It is estimated that intensified irrigation can increase agriculture productivity fourfold and, depending on the crops, incomes can be multiplied ten times.[46] The Government formulated a new National Irrigation Policy that is now under Cabinet's consideration.[47] IFAD supported the policy development, in particular for sensitising parliamentarians and others to the main provisions contained therein. The National Irrigation Policy's main components are: (i) intensifying and expanding irrigation, rainwater harvesting and storage for agriculture, (ii) rehabilitating and protecting water catchments; and (iii) implementing the irrigation flagship projects[48] identified in *Vision 2030*.

50. **Arid and semi-arid lands (ASALs) strategy.** ASALs represent an underexploited potential for the development of Kenya. They are home to 50 per cent of the country's cattle herds and account for 80 per cent of its eco-tourism potential. By choosing more drought-resistant crops, which are now available, ASALs could produce a greater proportion of the country's staple crop output.[49] A GTZ (now called GIZ) study[50] claims that there is great potential for small-scale irrigation schemes in Kenya, including the ASALs, and sets the potential area with irrigation

[44] The National Policy on Water Resources Management and Development. Ministry of Water Development, 1999.
[45] The Water Act, 2002. Government Printer, Nairobi 2002.
[46] Agricultural Sector Development Strategy 2010-2020, page 11.
[47] Oral communication to the post evaluation mission by the Permanent Secretary of the Ministry for Water Resources and Irrigation.
[48] These include expanding several existing schemes, the Yatta canal extension, constructing and/or rehabilitating dams and draining areas (ASDS2010-2020), page 58.
[49] Research4life, Unlocking the farming potential of ASALs in Kenya, http://www.research4life.org/casestudies_3_agrikenya.html.
[50] GTZ. Financing Small-Scale Irrigation in Sub-Saharan Africa, Volume 2, Country Case Study Kenya, December 2006.

at 540,000 ha. More recently, simple rainwater[51] harvesting techniques are seen as relevant and promising for ASALs.[52] According to the Government, DFRD was unsuccessful because it lacked a clear implementation framework, beneficiary involvement in design and implementation, and the necessary political will.[53] The *National Policy for the Sustainable Development of Arid and Semi-arid Lands of Kenya,* 2006, aims at improving the standard of living of the ASAL population by appropriately integrating ASALs into the mainstream national economy and by implementing social development in an environmentally-sustainable manner. The policy is to provide the framework for a coherent approach to ASAL development based on a new understanding of the different livelihood systems and causes of poverty in such areas.

C. Profile of the Donor Community

51. **Development assistance.[54]** Commitments to official development assistance (ODA) to Kenya have increased tenfold in the period from 2002 to 2009, reaching US$3.1 billion. Kenya experienced a dramatic build-up in nominal aid flows in the 1980s, up to a historic high in 1989/90 when net ODA averaged US$1.6 billion (in 2006 constant terms) annually. From the early 1990s, however, there was a slackening of donor support. Kenya's share of all development aid to Africa has declined substantially over time, from 4.16 per cent in the 1980s to 2.18 per cent over the period 2000-2006. Kenya is therefore not considered to be a highly aid-dependent economy.

52. Kenya has received approximately 70 per cent of its total aid from bilateral donors. The share of multilateral aid increased moderately in the 1980s and early 1990s, primarily owing to the disbursement of World Bank lending under structural adjustment programmes, but the bilateral share has since risen again with the decline in adjustment lending after 1991. Bilateral aid has been mainly in the form of grants (72 per cent), the share of grants having increased in recent years, whereas multilateral aid has been mainly provided as loans (86 per cent). The principal source of multilateral loans has been the World Bank group, accounting for almost 80 per cent of total loans in the period under review.

53. The same source indicates that ODA commitments to agriculture went up in nominal terms from US$58 million in 2000 to US$156 million in 2009. ODA commitments to agriculture were around 6 per cent of total ODA commitments between 2001 and 2004. IFAD's contribution to agriculture and rural development in Kenya amounted to an average of 4 per cent relative to government agriculture and rural development expenditure.

54. **World Bank.** The Bank's new CPS 2010-2013 for Kenya was approved in March 2010.[55] With this new CPS, the Bank intends to make a catalytic contribution to Kenya's continuing transformation to a middle-income country. The strategy has three main pillars including promoting Kenya's growth potential, reducing inequality and social exclusion, and managing resource constraints and environmental challenges. Agriculture features under the first pillar (Kenya's growth potential). The main objective of Bank's involvement is to promote innovative, commercially-

[51] The ASALs receive between 200 and 800 mm of rain on average per year.
[52] Kenya Engineer. Role of Rainwater Harvesting in Sustainable Development, http://www.kenyaengineer.com/newsdetails.php?NewsID=194&AuthorID=45&CountryID=7&NewsTypeID=1 5&IssueID=30.
[53] Government of Kenya. Arid and Semi Arid Lands (ASAL) National Vision and Strategy, Natural Resource Management, 2005-2015, 2005, page 3.
[54] Most recent data in this section is drawn from the OECD creditor reporting system. In addition, the following papers were consulted: Francis M. Mwega, A Case Study of Aid Effectiveness in Kenya, Volatility and Fragmentation of Foreign Aid, with a focus on Health, Wolfensohn Center for Development, Working Paper 8, January 2009 and Shantayanan Devarajan/David R. Dollar/Torgny Holmgren, Aid and Reform in Africa, Lessons from Ten Case Studies, The World Bank, April 2001.
[55] World Bank. CPS for the Republic of Kenya for the Period FY 2010-2013, Report No. 52521-KE, March 2010.

oriented, competitive and modern agriculture sector. They will do so by contributing to increasing productivity and ASAL development.

55. **African Development Bank (AfDB).** The AfDB's country strategy paper 2008-2012[56] builds on the following two pillars: (i) supporting infrastructure development for enhanced growth; and (ii) enhancing employment opportunities with a view to reducing poverty. Pillar I focuses on development of national roads, increase supply of electricity, improved access to safe water and enhanced capacity for water resources management, improved hygiene, and reduce costs of doing business (e.g., in terms of women's enterprise support, community empowerment, etc.). Pillar II aims to ensure improved livelihoods for vulnerable groups including through agriculture (e.g., livestock, horticulture, farm improvement, etc.) and environmental management activities, and increase access to employment through skills development.

56. **UNDP.** This organization's Country Programme Action Plan[57] states that UNDP will contribute to Kenya's development through four key programmatic component goals: (i) offer expanded opportunities to its poor; (ii) enhance empowerment of Kenya's citizens; (iii) guarantee better levels of security to its people; and (iv) ensure the long-term sustainability of the Kenyan nation. As UNDP has a generic development mission, synergy potentials for rural poverty reduction are not evident, but are probably latent.

57. The **Alliance for a Green Revolution in Africa (AGRA)**, headquartered in Nairobi, is sponsored and funded by Bill and Melinda Gates and Rockefeller Foundations. AGRA continues to make investments aimed at commercialization of small to medium scale farmers. AGRA has four major programs: seeds; soils; markets; and policy. Their priorities include promoting seed and fertilizer industries as well as strengthening extension systems, and increasing access to rural finance and markets in Africa.

58. **Food and Agriculture Organization of the United Nations (FAO).** FAO's main in-country programmes include: a special programme for food security including crop intensification, livestock diversification and water control; a national programme for food security including community grants for agricultural productivity increase, capacity building, nutrition improvement, rural income generation and school feeding programmes; emergency prevention system for transboundary animal and plant pests and diseases focusing on rift valley fever, foot and mouth disease, and rinderpest; emergency and rehabilitation by, *inter-alia,* maximising food production through provision of seeds, tools, fertilizers and veterinary supplies, early detection, prevention and control of avian influenza; and rehabilitation of fields, pastures and key infrastructure.

59. **Bilateral donors.** The Department for International Development (DfID) (United Kingdom) is one of the major bilateral donors operating in Kenya. Since 2004 and with its Country Assistance Plan (CAP) of the same year, DfID Kenya has adopted a cautious approach to aid instruments involving a predominantly project-based mode and moved towards sector-wide approaches or sector budget support where there was evidence of the Government delivering on reforms. None of DfID's four key CAP objectives is specifically geared towards rural areas although one objective is to promote economic growth, which ultimately benefits poor people.

60. Since 1975, GTZ has been working in Kenya on behalf of the German Federal Ministry for Economic Cooperation and Development. Its priority areas are: (i) reform of the water sector; (ii) development of the health sector; and (iii) private-sector promotion in agriculture, especially for small and medium-sized

[56] AfDB. Kenya, country strategy paper 2008-2012, Country and Regional Department – East A (OREA), November 2008.
[57] http://www.ke.undp.org/aboutus/3.

enterprises. As far as these priority areas are concerned, (i) and (iii) are particularly meaningful for IFAD.

Key points

Kenya has a population of 39.8 million. Around 80 per cent of the people live in rural areas. Around 15.5 million rural poor people lived on less than one and half dollars per day in 2009.

- The country's GDP per capita is around US$738. Annual economic growth gradually increased between 2003 and 2007 reaching 7 per cent, but decreased significantly after that due to post election violence as well as the global financial and economic crises. In 2009, economic growth was around 2.6 per cent.
- According to the World Bank's 2008 World Development Report, Kenya is classified as an agriculture-based country, albeit relatively close to migrating into the cluster of transforming countries.
- Overall economic growth is closely related to growth in the agriculture sector. Agriculture contributed around 28 per cent of GDP and 65 per cent of exports in 2009.
- About 80 per cent of all people working in agriculture are smallholders living on subsistence farming. Smallholder agriculture is constrained by poor access to land and water, as well as by inadequate service delivery and marketing opportunities.
- In 2008, agriculture was allocated around 4.5 per cent on national budget, which is well below than the 10 per cent annual allocation agreed by the African Ministers of Agriculture in Maputo in 2003.
- The ASALs cover around 80 per cent of the country's land and include 30 per cent of national population. Around 11 million people live in the ASALs, out of which 7 million live on less than US$1 per day. The number of rural poor in the ASALs would be higher if measured by those earning less than US$1.25 per day. Most people who live in the ASALs derive their livelihoods from the livestock sector, which contributes 17 per cent to the country's agriculture gross domestic product and 7 per cent of Kenya's overall GDP. The development of ASALs and the livestock sector are key priorities in the Government's new Agriculture Sector Development Strategy for 2010-2020.
- Kenya's agriculture is still predominantly rainfed. The country has an estimated irrigation potential of 1.3 million ha, yet only 114,600 ha of irrigation have been developed. Less than 20 per cent of Kenya's land mass has medium to high agricultural potential. The remaining 80 per cent – as mentioned above – is in the ASALs.
- The ASALs represent an underexploited potential for development of the country, especially in terms of value addition to livestock products, irrigated crop farming, fishing, eco-tourism, development of cottage industry, mining, and biodiversity.
- There is increasing pressure on land in medium and high potential areas. Given its agricultural potential, population migration to ASALs is likely to grow.
- Given that other donors are providing relatively limited resources to the Kenyan agriculture sector, based on its comparative advantage, specialization and track record, IFAD has an important role to play in promoting the small-scale agriculture in the country.

III. Strategy adopted by IFAD and the Government

61. The aim of this chapter is to give an overview of the country strategies developed by IFAD and the Government in Kenya since 2000. In fact, it focuses on providing a summary of the only two Kenya COSOPs available – dated 2002 and 2007 respectively – so that readers can familiarize themselves with how the country strategy has evolved over time. The chapter also includes a snapshot of the projects funded by IFAD since 2000, following the adoption of each COSOP. This chapter does not analyse the relevance and effectiveness of the COSOPs, which will be covered in chapter VI of the report.

62. COSOPs, as instruments for defining IFAD's overall co-operation in reducing rural poverty with recipient countries, were introduced around 1996. Before 1996, there was no single document that captured IFAD's strategic objectives and activities in a particular country. A country strategy could however be constructed ex-post by reviewing the key objectives of projects financed by IFAD in the country. The initial COSOPs prepared were largely internal IFAD Management documents, written with limited participation and inputs of in-country partners. Over time, this changed significantly, with a greater role for government, civil society, NGOs, academics and

others at the country level. In fact, in September 2006, the Board adopted a revised framework for developing "results-based country strategic opportunities programmes".

63. The first COSOP for Kenya was presented for consideration by the Board in September 2002. The main reason why the first COSOP was only prepared in 2002 is because IFAD operations in Kenya had been largely suspended between more or less 1995 and 2000, due to poor project performance, weak management and non-compliance with some loan covenants (e.g., lack of financial accountability, especially non-submission of audit reports). The second one, which was results-based, was presented to the Board five years later in September 2007. It is expected that the Government and IFAD will jointly prepare the next results-based COSOP, following the completion of this CPE.

A. Evolution of the Country Strategy

64. **IFAD's engagement before 2000.** IFAD financed nine projects in Kenya between 1979 and 1996, the year when it suspended its operations in the country. Four of the nine projects were classified as agriculture development, three as research (and extension), and one each as rural development and livestock development, respectively. Of the nine projects, six were IFAD-initiated, whereas three were initiated by the World Bank and co-financed by IFAD. One project was co-financed in the 1990s with the BSF.JP, which expanded the sub-sector coverage to include domestic water supply, sanitation and health. All projects were implemented mainly in medium to high potential areas in the south west of the country. All IFAD loans to these nine projects were provided on highly concessional terms, with supervision done either by the World Bank or United Nations Office for Project Services (UNOPS).

65. In 1995, IFAD fielded a countrywide review and in 1996 suspended disbursements on its entire loan portfolio owing to the Government's failure to adhere to key fiduciary covenants, as mentioned above, notably regarding the submission of audit reports. Two IFAD-funded projects (the Western Kenya District-based Agricultural Development Project and the Second National Agricultural Extension Project) were closed prematurely for apparently similar reasons, and intensive discussions were held with the Government about appropriate remedial measures.

66. At the end of 2000, IFAD approved its first new project in Kenya in more than four years, the Central Kenya project covered by the evaluation. A review of IFAD and BFS investments in Kenya in 2001, together with feedback from previous projects, signalled the need for greater and clearer focus on poor rural people, in line with the National Agriculture Extension Policy of 2000. In the interests of achieving greater poverty reduction impact, IFAD decided to further concentrate its efforts in medium to high productive potential areas, and to a lesser extent in arid and semi-arid pockets where people face variable climatic conditions.

67. **The 2002 COSOP.** This country strategy stated that IFAD's broad goal in the country would be rural poverty alleviation and the promotion of food security. It would pay consistent attention to maintaining and regenerating the renewable natural resources that underpin the economy. In this regard, it aimed to promote the equitable distribution of natural resources. It would achieve its goal by supporting community-identified and prioritized economic and social development activities.

68. The COSOP essentially divided its attention between what it called 'high and medium-potential zones" where settled agriculture was the norm, and ASAL pockets within these zones but with no extensions to contiguous ASALs. More specifically, in medium to high potential areas, IFAD was planning to support better market linkages for smallholder producers including efforts for value addition to raise incomes and privatization. It would contribute to increasing productivity by developing and disseminating appropriate agricultural technologies, promoting off-

farm income-generating activities for smallholders, encouraging community participation through training, policy development and capacity development. For the lower-potential areas, IFAD would focus on supporting on-farm investment particularly in irrigation, promoting appropriate cropping techniques and increasing access to inputs, livestock development, support services and marketing. It also noted that based on grant funds it would address the HIV/AIDS crisis, but also promote social empowerment as a basis for economic empowerment.

69. Furthermore, the COSOP identified eight "strategic areas of concentration". These included: improving service delivery in rural areas including local level institutional development; cost-effective implementation modalities including provision for involving a variety of operators such as the private sector, NGOs, and other international or bilateral organizations; community empowerment to develop ownership by maximising community contributions; build awareness about the environment and promote technical change for agriculture for improving production and productivity; promote market integration among the rural poor; expand access to rural financial services; contribute to better gender equality and women's empowerment especially among women headed households; and monitoring and evaluation (M&E).

70. In terms of partnerships, the COSOP emphasised partnership in different thematic areas with the Government of Kenya, selected bi-lateral donors including DFID, GTZ, SNV, SIDA, and USAID, and various multilateral organizations such as AfDB, FAO, OPEC Fund, and World Bank. It also underlined policy dialogue priorities which would be important for IFAD to get involved in. These were rural finance and natural resources management especially related to access rights to water resources, the forestry bill and the microfinance bill. It would also engage the Government in policy dialogue on flow of funds mechanisms, project management, auditing arrangement, and the importance of M&E.

71. Four broad project ideas were identified in the COSOP on conservation and land use, community empowerment, rural technology adaptation and dissemination, and promoting smallholder marketing. There was no indication of the loan amount that would go along with these projects. The Fund did in fact finance four projects following the adoption of the 2002 COSOP, which include the Mount Kenya East Pilot Project for Natural Resource Management, the Community Development Project SNCDP, the Smallholder Dairy Commercialization Programme and the SHOMAP. Data on these projects may be seen in table 2 and annex IV.

72. **The 2007 COSOP.** This country strategy was based on the new result-based format adopted by the Board in September 2006. The overall goal was the intensification, diversification, commercialization, and value additional in the production system. It had more clearly defined three strategic objectives: (i) improving delivery of services to the rural poor by strengthening the capacity of the public and private sector and civil society organizations; (ii) increasing incomes for the rural poor through improved access to and utilization of appropriate technologies, markets, and community-owned productive and social rural infrastructure; and (iii) increased investment opportunities for the rural poor through improved access to rural financial services.

73. In terms of targeting, the 2007 COSOP noted that IFAD assistance would be aimed at improving the lives of poor small producers, agro-pastoralists, and pastoralists in medium to high potential areas as well as the ASALs. However, the COSOP states that most of the interventions in the ASALs will only be through IFAD grants.

74. The COSOP states that the Fund will engage Government in policy dialogue in the implementation of the strategy for revitalizing of agriculture, by participation in the agriculture and rural development sector donors' group. Contributions were also specifically to be made to policies in the dairy and horticulture sub-sectors, including the Dairy Industry Bill, the Feed and Fertilizer Bill, the Feed Policy and the Horticulture Policy. Related regulatory institutions will be supported to ensure the

effective operationalization of the legal framework that these agricultural laws and policies represent. IFAD also was to participate in policy dialogue with government and other donors to address key policy issues relative to ASALs in the areas of diversification of sources of income; improving natural resource management and utilization by reviewing existing land use policies and land tenure systems; improving pastoral productivity through conservation of the environment; improving markets to mobile pastoralists; and providing financial services to nomadic pastoralists.

75. The principal form of partnership is IFAD's participation in the Kenya Joint Assistance Strategy (KJAS). There will be partnership development with a large number of NGOs and private sector service providers under the new COSOP. This will include contracting non-state actors for selected services, such as value chain analysis, business training for farmer groups and rural infrastructure development; forging links with institutions that can provide rural financial services to IFAD's target group; and capacity building for private operators who deliver essential services to farmers but can do so better, such as stockists providing inputs, traders buying produce, and agencies supplying market information. CBOs, which are already a key partner under ongoing projects, will become more important over time.

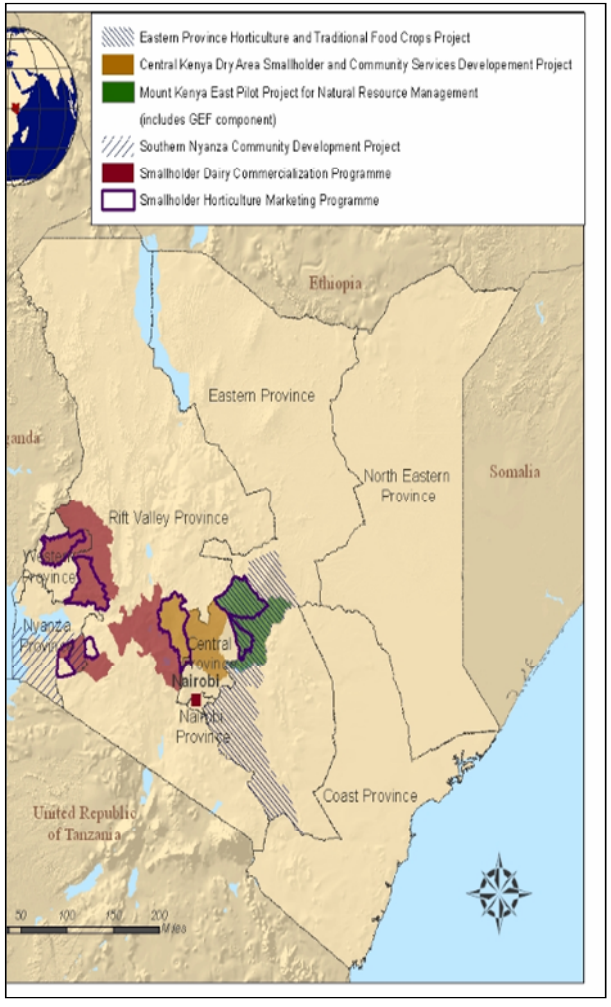
76. There is no tentative indication of the level of resources that would have been made available to the country in the 2007 COSOP period, although there is a discussion of the performance-based allocation score for Kenya. Three new multi-sectoral projects were to be financed by IFAD following the 2007 COSOP and two new single sector projects with a focus on agriculture marketing. As a matter of fact, only one new project has been approved thus far by the Board in September 2010 for an IFAD loan amount of US$29.3 million on promotion of financial innovations and technologies. This project has a national coverage, and is cofinanced with AGRA and the private sector.

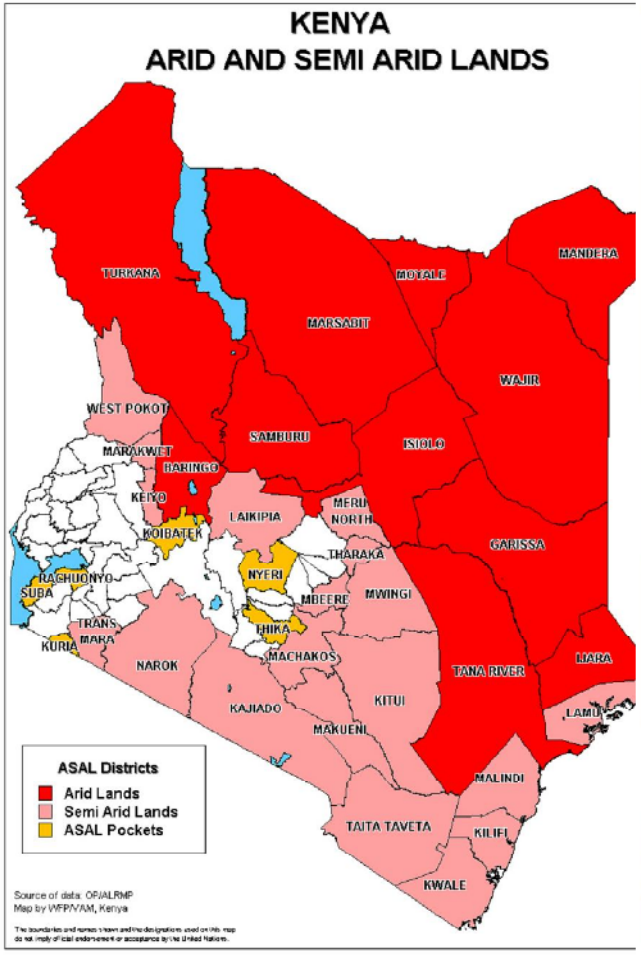
77. **Component analysis.** The CPE undertook a component analysis of all projects covered by the evaluation, with the aim of determining the sub-sector allocations since 2000. This entailed grouping of similar components across projects and aggregating the corresponding loan amounts allocated to them. Broadly speaking, the following is the breakdown of resources by component: (i) rural finance (18 per cent total loan amounts since 2000); (ii) community empowerment, group development, organizational enterprise and skills development (17 per cent); (iii) access to markets and value chains (17 per cent); (iv) project management (17 per cent); (v) water resources management (10 per cent); (vi) agriculture technology including research and extension (9 per cent); (vii) institutional and policy support (5 per cent); (viii) social and physical infrastructure (2 per cent); and (environmental conservation (1 per cent). Through this high level component analysis, it is however not to determine loan allocations to sub-components and the diverse range of activities financed.

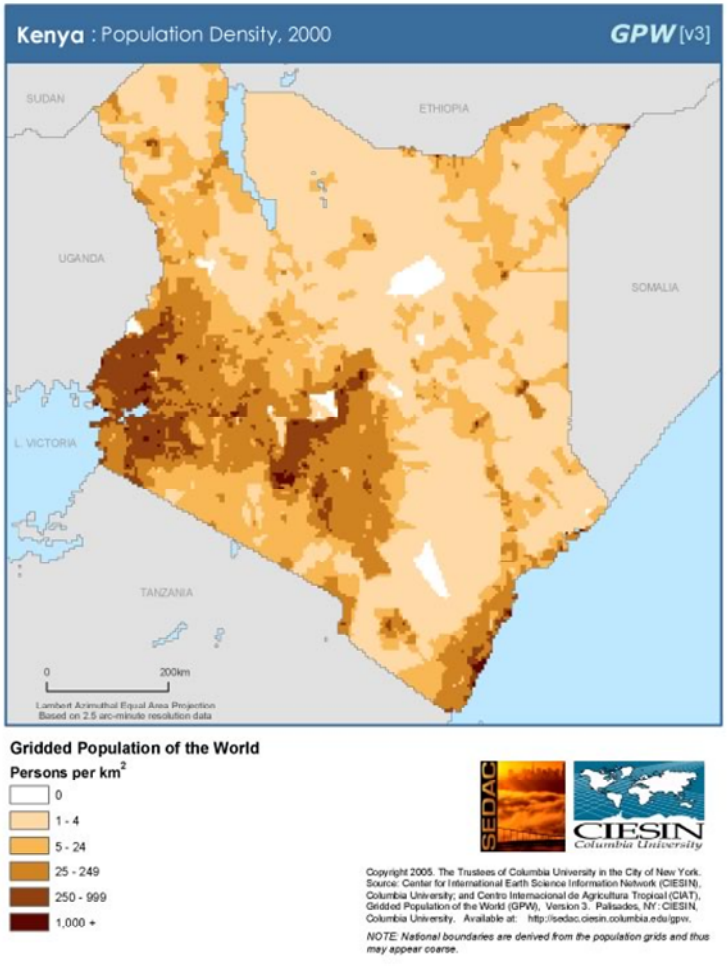
78. **COSOP management and results management framework.** A mid-term review of the 2007 COSOP was planned in 2009/10. The 2007 COSOP results management framework maps the country strategy's strategic objectives with key objectives in the Government's *Vision 2030* and other key national policy documents (such as the PRSP). Eleven outcome indicators have been established against the three COSOP strategic objectives. Eleven additional COSOP "milestone" indicators have been defined, which are more at the output level. The results management framework also includes five policy and institutional objectives, which are also mapped against the COSOP's overall strategic objectives. Finally, the indicators in individual projects were to be aligned to the indicators in the 2007 COSOP results-management framework. The COSOP results-management framework has been reproduced in annex X.

79. **Country programme management.** IFAD opened a Kenya country presence office (CPO) in 2008 with a Nairobi-based country officer and a Rome-based CPM. Currently the CPO is staffed with an out-posted CPM/IFAD Representative, an out-posted associate country programme manager, and a country programme assistant. One programme assistant, based at headquarters, provides support to the Kenya country programme on a part time basis – as he also serves as programme assistant for other countries. The CPM is responsible for country strategy development, project design and supervision and implementation support, as well as non-lending activities including policy dialogue, knowledge management and partnership building. A country programme management team (CPMT), comprising the country presence staff, officials from ongoing projects, desk officers from concerned Ministries and other partners is responsible for providing inputs in the design and implementation of the country programme. All ongoing projects are currently under direct supervision and implementation support by IFAD. In fact, IFAD started undertaking direct supervision and implementation support in all Kenya projects soon after the approval by the Board of the supervision policy in December 2006. The main interlocutor of IFAD in the country is the MoA (the Minister of Agriculture is Kenya's Governor to IFAD), and there is close dialogue and partnership among sector ministries and other ministries involved in rural development such as Planning, Roads and Health.

Figure 2
IFAD Project Areas, ASALs and Population Densities







Source: IFAD, 2007 COSOP, EB 2007/91/R 12. Source: Abass A M, Drought in Kenya and National Development, Arid Lands Resource. Management Project, Special Programmes, Office of the President, non-dated. Source: CIESIN, Columbia University, 2005.

Table 6
Summary Description of the two Kenya COSOPs

Principal Elements	*2002 COSOP*	*2007 COSOP*
Overall goal	Rural poverty reduction and promotion of food security.	Intensification, diversification, commercialization, and value additional in the production system
Major strategic objectives	Maintaining and regenerating renewable natural resources; and economic and social development activities.	Improve delivery of services to the rural poor; Increase incomes for the rural poor through better access to markets, technologies and social rural infrastructure; and improved access to rural financial services
Geographic priority	Mostly medium to high potential areas in Central Kenya, Western Province, Nyanza, Rift Valley, and Eastern Province.	Similar to 2002 COSOP, with somewhat more attention to ASALs to be covered mainly by grant activities. The only project financed thus far after 2007 COSOP however has a nation-wide reach.
Sub-sector focus[58]	Community development including gender; horticulture; dairy; natural resources and environment management; pro-poor technology (research and technology); marketing access and value chain development; rural finance, rural infrastructure; health, domestic water, and sanitation; livestock development; irrigation and water management; capacity building including business skills; institution strengthening; and HIV/AIDS.	Rural finance; agricultural marketing; capacity building of public and private sector and civil society; rural infrastructure including rural roads, health and water; sustainable natural resources management including land and water; improved agriculture technology; input and output markets; livestock development; and HIV/AIDS
Main partners institutions[59]	Ministries of Agriculture, Finance, Planning, Livestock, Fisheries, Environment and Natural Resources, Water and Irrigation, Provincial and District authorities, BSF and GEF.	Ministries of Agriculture, Finance and Planning, Provincial and District Authorities, AGRA, Equity Bank and other private sector providers
Main target group	Smallholders farmers, women-leaded households, landless and near landless.	Women and youth; poorest, subsistence smallholders and pastoralists; poor, semi-subsistence smallholders and pastoralists with marketable surplus; landless or near landless
Funding[60]	US$102.2[61]	US$29.9
Country programme and COSOP management	CPM based in Rome with one programme assistant. CPMT established during the COSOP period. Supervision of all projects (except for the Smallholder Horticulture Marketing Project) was being done by UNOPS until more or less 2007. COSOP did not have results framework, and no MTR of COSOP was envisaged.	IFAD country presence office (CPO) established in Nairobi in 2008. Currently CPM located in Nairobi, with Associate CPM and country programme assistant. One Programme Assistant (part time) based at headquarters. IFAD country team is responsible since around 2007 for direct supervision and implementation support of all ongoing projects, country strategy formulation, project design, as well as non-lending activities. The CPMT supports CPM in country programme management. COSOP has coherent results framework and MTR of COSOP undertaken in 2009/10.

[58] Reflects the sub-sector focus outlined in the COSOP as well as the projects funded following the adoption of the corresponding COSOP.
[59] Refers to those institutions involved in execution of projects approved after the respective COSOPs and for dialogue on major issues related to the country programme.
[60] This amount includes loans and country specific grants to Kenya. It does not include global or regional grants that cover Kenya, as it is not possible to determine the resources allocated from such activities to Kenya alone.
[61] Including Eastern Province and Central Kenya Projects approved before the 2002 COSOP, they are part of the CPE's assessment.

Key Points

- IFAD has produced two COSOPs for Kenya, in 2002 and 2007, respectively. The 2007 COSOP is results-based following the new format adopted by the Board in September 2006. It includes a results management framework and provisions for a MTR.
- The 2002 COSOP focused on rural poverty reduction and promotion of food security. The 2007 COSOP also focused on rural poverty reduction, but with greater attention to commercialization and value addition.
- Both COSOPs noted that IFAD would focus mostly on medium-to-high potential areas, although the 2007 COSOPs pays somewhat more attention to development in ASALs. It however states that involvement in ASALs would be mainly through grants.
- Both COSOPs underline that IFAD assistance will be devoted to a variety of sub-sectors including, for example, natural resources management, environment, livestock development, water resources management, rural finance, value chain and market access, horticulture, dairy, agriculture technology, community development, and rural infrastructure.
- The COSOPs indicate areas of priority for non-lending activities (policy dialogue, partnership building and knowledge management), but they do not provide any indication of resources that would be allocated for the purpose.
- In terms of country programme management, IFAD established a country office in 2008. From mid-2010, a CPM was out-posted to Nairobi. In addition to the CPM, an associate CPM and country programme assistant are located in the country office.
- All projects in Kenya were supervised by cooperation institution(s) till 2006. Thereafter, all projects have been brought under Government of Kenya/IFAD's direct supervision and implementation support.

IV. Portfolio performance

A. Background

80. In line with the IFAD Evaluation Manual, the aim of this chapter is to generate an assessment of the portfolio of projects funded by IFAD in Kenya. The assessment is based on internationally recognised evaluation criteria, namely relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender equality and women's empowerment. A composite assessment of the project portfolio's overall achievement will also be generated, building on the assessment of each of the aforementioned criteria. As mentioned in chapter I, the definition of each criterion may be seen in annex II of the report.

81. As also mentioned in chapter I, this CPE assesses seven of the 15 IFAD-supported projects in Kenya since 1979 (see table 2). The performance of the Kenya project portfolio will be benchmarked by the CPE with the performance of all IFAD-funded projects in East and Southern Africa, using independent evaluation data available in the IOE of IFAD-funded operations evaluated since 2002. This will allow readers to consider the performance of the Kenya project portfolio within a wider context of operations supported by IFAD in the same geographic region (i.e., ESA).

82. Before discussing the CPE assessment by evaluation criterion, it is important to underline that it is not possible for the evaluation to determine the performance of each of the seven projects across all the evaluation criteria applied. This is because some projects (e.g., the most recent operation on rural finance that became effective in December 2010) are relatively young in terms of their implementation duration, thus limiting from a methodological perspective an assessment of their rural poverty impact, at this point in time. The relatively newer operations will be assessed for relevance, and as appropriate, some of the other evaluation criteria

B. Relevance

83. Relevance assesses the extent to which the objectives of the interventions are consistent with the Kenya COSOPs and other corporate policies/strategies, the national policies and strategies for agriculture and rural development, as well as the needs of the rural poor. Under relevance, the CPE also examines the extent to which overall project design was consistent in achieving project objectives, for example, in terms of the component mix specified, target groups selected, and so

on. All seven projects covered by the CPE have been included in the portfolio's relevance assessment.

84. The objectives of the seven IFAD-funded projects examined have been largely consistent with IFAD and government policies as well as the needs of the rural poor. The designs of individual projects have included positive features, even though in some cases the internal logic and coherence was less clearly defined. The projects that are considered relevant include the newly designed Rural Finance, the Central Kenya Dry Areas, the Mount Kenya, and the Southern Nyanza projects. The Smallholder Dairy Commercialization and Horticulture Marketing projects are moderately satisfactory, whereas the oldest project examined (covering Eastern Province designed in the early 1990s) is moderately unsatisfactory.

85. Project design on the whole has been participatory involving multiple stakeholders, including government officials and beneficiaries. The systematic involvement of NGOs and community organizations in the process has also been a characteristic of project design, which is considered positive for achieving results and ensuring sustainability.

86. The CPE found that all projects have been designed with an explicit rural poverty reduction focus. Two projects (Central Kenya and Southern Nyanza projects) have a clear community development drive approach. Poverty reduction in the old Eastern Province and Mount Kenya projects is based on improving access to and use of natural resources, especially irrigation water. The Dairy Commercialization and Horticulture Marketing projects aimed to reduce poverty by integrating them into commercial circuits. The gender dimension however only became increasingly visible in recent generation projects. While gender differentiation is absent from the logical framework (hereafter "logframe") of Central Kenya project, women-related indicators are included in those of the Mount Kenya, Southern Nyanza, Dairy Commercialization and Horticulture Marketing projects. The latest project (on rural finance) is aimed at contributing to reducing poverty in rural Kenya, with a planned reduction in the national poverty line from 45 per cent in 2010 to 38 per cent by the end of its implementation, by making access to timely rural financial services and products.

87. In the case of the Dairy Commercialization and Horticulture Marketing projects, the CPE believes there are constrains in their internal design logic and coherence. These projects should have been based on a marketing or commercialization logic, but in reality, they are predominantly government-led and supply-side driven. Insufficient efforts were made to associate private-sector service providers in their design and implementation. The key private-sector players in dairy and horticultural supply and marketing chains are far from sharing the driver's seat in these projects. The absence of private-sector logic is manifest in various aspects. For example, none of the activities in the pipeline, such as dairy collection centres, irrigation schemes for horticulture and market infrastructure, have been the subject of, at least preliminary, cost-benefit analyses, thus exposing the participating producer families to considerable financial risk. Neither of the two projects in case have professional staff familiar with the relevant value chains in Kenya, as most of them are civil servants from the MoA or other line Ministries. More seriously however, neither of these projects was cognisant of the fact that other entities were conducting value chain analyses in the same sub-sectors,[62] but leaving them to be undertaken by inexperienced consultants. The value chain analysis in the Horticulture Marketing project considered only intra-district physical and value flows, which did not capture a comprehensive picture of horticultural trade patterns in Kenya. Other donors, such as USAID, appear to have significantly more punch in

[62] R. Pelrine, A. Besigye, E. Ssebbaale, N. Awori and M. Rostal, Kenya Dairy Value Chain Finance – Research and Recommendations, United States Agency for International Development, Kenya, August 2009; and D. N, Dai, , M. M. Odera, T. Reardon,. Honglin Wang, Kenyan Supermarkets, Emerging Middle-Class Horticultural Farmers, and Employment Impacts on the Rural Poor, World Development Vol. 37, No. 11, pp. 1802–1811, 2009. Elsevier Ltd.

value chain development in the same geographic areas as Dairy Commercialization project, and with comparatively fewer financial resources.[63]

88. It is to be noted that the relevance of targeting smallholder farmers for their integration into marketing channels along value chains is not questioned in terms of potential for reducing poverty. There are numerous references confirming the relevance of market access for reducing the poverty of small producers. And with the prospects of relatively high agricultural commodity prices in the future, small farmers will also have a better chance to compete.[64] Moreover, by choosing commodities such as dairy and horticultural products, the margins in well-organized value chains are promising. What is inadequate in the case of Dairy Commercialization and Horticulture Marketing projects is the conspicuous absence of demand-side logic and private-sector actors in positions of conceptual and management influence.

89. All projects made considerable efforts to target poor geographic zones and poor people, often specifying distinct poverty profiles. When revisiting what was intended at design, it appears that the initial targeting stringency tended to get lost in implementation. If targeting specifications do not find their way into objectively verifiable indicators in the logframes of the respective projects, there is no way of verifying whether the professed targeting criteria have been applied in practice. Target group specifications also cannot be found as variables of baseline surveys, where available. Consequently, it is challenging to show whether the identified target groups have benefited from a project. Matters are further complicated by the fact that baseline surveys were carried out late. For example, in the case of the Central Kenya project, it was undertaken five years after effectiveness. The baseline surveys in the Dairy Commercialization and Horticulture Marketing projects had not been undertaken at the time of the CPE.

90. The Eastern Province project is the only one included in the CPE's assessment to have been rated as moderately unsatisfactory in terms of relevance. The project's risk-management approach was deficient because it did not involve the then Ministry of Cooperatives and Marketing (or the preceding institutional set-up for cooperatives development), which was subsequently reluctant to buy into the project. With cooperatives central to irrigation systems and marketing central to the sale of produce, this decision was fatal to the likelihood of project success.

91. In conclusion, an arithmetic average calculation of the ratings for relevance of the seven projects considered would provide a score of 4.3, and the corresponding classification for the relevance of the project portfolio be therefore be moderately satisfactory. However, in the end, the CPE has decided to exclude the relevance rating of the Eastern Province project in the final assessment of portfolio performance. This is because the project was designed in the early 1990s, and initiated by the AfDB and not IFAD. Therefore, excluding the Eastern Province project, the CPE assesses the relevance of the Kenya project portfolio approved since 2000 as satisfactory. In fact, although the CPE has assessed the Eastern Province project across all evaluation criteria, it will be excluded – for the aforementioned reasons – in determining the final Kenya CPE portfolio performance ratings for each evaluation criteria.

C. Effectiveness

92. In assessing effectiveness, the CPE aims to determine the extent to which the objectives of the projects financed by IFAD were achieved. Four of the seven projects covered by the evaluation were included in the analysis and rated individually for effectiveness, namely the Eastern Province, Central Kenya, Mount Kenya, and Southern Nyanza projects. The remaining three projects (Dairy Commercialization, Horticulture Marketing, and Rural Finance) have been

[63] USAID, Kenya. The Kenya Dairy Sector Competitiveness Program (KDSCP), http://kenya.usaid.gov/programs/economic-growth/KDSCP.
[64] AfDB/IFAD. The changing context and prospects for agricultural and rural development in Africa, Tunis/Rome, 2009, page 35.

considered in the analysis of effectiveness but not rated individually, as they are in relatively early stages of implementation.

93. To facilitate the task of readers of this CPE report, the section on effectiveness has been organised according to four key dimensions found in the seven projects analysed. These include infrastructure, agriculture, marketing and institutional approach. These four dimensions were selected by the CPE, as they consistently appeared in the objectives of the projects approved by IFAD in Kenya since 2000.

94. **Infrastructure.** The two community-based projects in Central Kenya and Southern Nyanza have been implementing infrastructure under their public health centre and domestic water supply components. Under the public health centre component, construction of infrastructure under the Southern Nyanza project was meant to "establish sustainable gender balanced access to essential health care through … health infrastructure improvement and environmental sanitation and hygiene"; and, under the Central Kenya project "to improve the health status of the target group through one key output, improved access to good quality health services (both facility and community-based health services)". The underlying theme for the two projects was that the infrastructure would contribute to improving the health and overall wellbeing of the target population.

95. With regard to water supply, the objective of the Central Kenya project was to improve health status and food security, farm income and nutrition of the target population, while the Southern Nyanza project aimed to "increase and improve accessibility to domestic water for the rural population". In terms of actual construction, the two interventions have built infrastructure that resulted in the provision of improved water, benefiting about 157,000 people and improved access to health facilities for about 199,000 people. The respective impact assessment studies by the projects went further, documenting empirical evidence of improvements in the lives of the target population as a direct result of the infrastructure.

96. For instance, the project impact assessment study[65] carried out in 2009 by the Southern Nyanza project reports that reliance on water from Lake Victoria during the dry season had fallen from 43.3 per cent at baseline to 22.2 per cent by the time of the study. Furthermore, the survey findings indicate that the majority (92.5 per cent) of respondents undertake some form of water treatment before using the water. Also, there had been a change in behaviour with respect to waste handling, with a total of 47.4 per cent of respondents reported to be burying or burning waste compared to 22.9 per cent at baseline. There was also a significant improvement in basic sanitation practices, such as the use of dish racks and toilet facilities. Regarding the distances that respondents had to travel to the nearest health facilities, about 75 per cent reported that they were able to reach such facilities at a distance of 3 km or less, which contributes considerably to the wellbeing of rural populations.

97. Similarly, for the Central Kenya project, a rapid impact assessment study[66] carried out in 2007 indicated that, where health facilities had been constructed, the distances to such facilities had been reduced remarkably – reductions of 3-22 km. At the same time, the districts witnessed a consistent improvement in hygiene and sanitation practices, as evidenced by increased use of ventilated improved pit latrines, dish racks, compost pits and household-level water treatment. For instance, use of ventilated improved pit latrines in Kirinyaga increased from 3 per cent of households before the project to 15 per cent by the time of the study. Similar increases were noted in other districts in Central Kenya, as follows: from 1 per cent to 5 per cent in Nyandarua; from 2 to 26 per cent in Nyeri; from 2 to 27 per cent in Muranga South; and from 3 to 9 per cent in Thika.

98. In both projects, the studies report that in the focal development areas where water supply projects had been constructed, distances to safe water sources had

[65] Log Associates, Project Impact Assessment Report, SNCDP July 2009.
[66] CKDAP PMU. Rapid Impact Assessment Report, CKDAP, Nyeri 2008.

been significantly reduced to even below the recommended 1.5 km for low-potential areas. The protection of the wells and springs led to improvements in both the quality and yields of water from them, thereby reducing both the chances of contracting water-borne diseases and the time taken to fetch water. Where piped water schemes had been constructed, the distances to water sources were reduced to zero since the households received water directly in the homesteads. In Muranga South, where springs with limited distribution systems had been constructed, the distance was reduced to around 0.3 km. Similar reductions were noted in the Southern Nyanza project areas.

99. One point to note regarding the quality of water is that in some of the activities, such as the piped schemes in Thika, water came from polluted rivers and therefore could not be considered as safe. The communities have been sensitized to the need to treat the water before human consumption, and while some households reported they were treating it by boiling or using chlorine-based solutions, not all of them could afford to do so. The same may be said of the water from dams and pans.

100. **Agriculture and natural resources.** The PPA by the CPE of the Mount Kenya project and the preliminary impact surveys of the Central Kenya and Southern Nyanza projects suggest that they have been, or are, effective in bringing about significant increases in productivity, food security and incomes. Observed productivity leaps on a scale from one to three are not uncommon. However, project records and preliminary impact surveys do not indicate the number of adopting and benefiting households, thereby making it difficult to estimate the extent of effectiveness in numbers of households or people, unlike in the case of infrastructure. For the Dairy Commercialization and Horticulture Development projects, even a qualitative assessment of effectiveness would, at best, be speculative and has therefore been refrained from. Direct and anecdotal evidence collected by the mission, however, confirms that the participating farm families are already reaping tangible benefits in terms of increased productivity as a consequence of project inputs. There are three reasons for productivity improvements. These include: the very low productivity levels prevailing at project inception; the widespread availability of improved crop varieties (tissue culture bananas, maize, cassava, pineapple) and animal breeds such as cattle, dairy goats and poultry; and because the provision of irrigation water proved to be a strong driver of increased productivity in practically all activities.

101. **Marketing.** Surplus production must be sold in markets in order to raise income. In the case of the Eastern Province project, weaknesses in this regard have been discussed in the earlier section on relevance. In spite of an overall satisfactory project effectiveness, the PPA of the Mount Kenya project stressed that promoting market access for the increased production was the weakest link in project performance. In the Central Kenya and Southern Nyanza projects, no particular marketing problems have been recorded, possibly because of the vicinity of urban consumption centres. Regarding the marketing prospects of Dairy Commercialization and Horticulture marketing projects, CPE’s reservations have been articulated in the previous section on relevance.

Beneficiaries sell vegetables at a local market.
Source: Giacomo Pirozzi (IFAD)

102. **Institutional approach.** All the projects in the Kenya portfolio have been or are being implemented by government line agencies. The main burden rests with district-level civil servants who, in addition to normal lines of command, are also required to report to the IFAD project management units, which are located in the provinces involved, or elsewhere centrally in the case of a project covering several provinces. This was not always the case. The project management unit of the Central Kenya Project was at the Ministry of State for Planning, National Development and *Kenya Vision 2030* in Nairobi until 2004, which resulted in limited project implementation and monitoring capacity. The project management unit of the Eastern Province Project was never decentralized because Nairobi was deemed to be central considering the areas covered by that project. Field operations took place in the operational districts.

103. The fact that all projects – to varying degrees of intensity – promote, train and coach CBOs is a driver of effectiveness. Without the involvement of local people organized for this purpose and their participation in cash and/or in kind in the building of infrastructure, managing drinking water supply systems and health facilities, and in operating agricultural extension networks, the projects would have been less effective. Therefore, the conscious inclusion of the target population is part of an institutional approach that fosters empowerment and ownership.

104. Overall, the CPE rates the effectiveness of the project portfolio in Kenya as moderately satisfactory.

D. Efficiency

105. Efficiency is a measure of how economically resources and inputs (funds, expertise, time, etc.) are converted into results. The Kenya CPE has used a variety of indicators to assess the efficiency of the projects.

106. The implementation time overrun per project is around 3-4 years. On average, each of the seven projects considered by the CPE has taken more or less 9 years for completion, without taking into account that four of the seven projects are still under implementation and might be extended further. This is less favourable as compared to the ESA regional averages of 7.63 years in 2010.

107. All the project management units visited complained about the serious delays that their lead ministries incurred in issuing the Authority to Incur Expenditures (AIEs) – a pre-requisite for implementing project activities. As a rule, AIEs become available only several months after the start of the financial year, thereby bringing project activities almost to a halt every year. In addition, AIEs tend to split the annual budget allocations into four equal instalments, a funding pattern that rarely

responds to typical investment requirements.[67] Other issues of concern are the limits of initial deposits in the special project accounts and the fact that, as a general rule, it can take several months to replenish the special accounts. Both problems significantly limit the implementation capacity of the portfolio, and have led some of them to devising coping mechanisms. These have included the managers personally following up on each withdrawal application through the administrative circuit in Nairobi until submission to the IFAD country office. The views of the project managers with regard to implementation (annex VI) corroborate the above and lead to the conclusion that severe limitations in fund flows are a major cause of constrained efficiency.

108. Another way of looking at efficiency is to make a comparison between physical progress and expenditures. This can be most suitably done with infrastructure. A substantial portion of Central Kenya and Southern Nyanza project budgets are allocated to infrastructure. Table 7 suggests a pervasive discrepancy between physical progress and expenditures against budgets. With regard to increased costs of typical construction materials, the average price hikes of 30 per cent seen between 2007 and 2010 do not fully explain the anomalies shown in table 7. Unit costs for infrastructure, while mostly in line with comparable undertakings in Kenya, show exceptional deviations of up to 300 per cent (per square meter costs of buildings, for instance, vary between KES 10,000 and KES 35,000).

Table 7
Comparison of Physical Progress Against Expenditures, 2009

	Central Kenya Project		*Southern Nyanza Project*	
Category of Infrastructure	*Physical Progress in per cent of Appraisal Estimates*	*Budget Spent in per cent of Total*	*Physical Progress in per cent of Appraisal Estimates*	*Budget Spent in per cent of Total*
Water supply	40	77	42	75
Public health	76	92	20	40

Source: Project briefs.

109. Compared with the ambitions and complexities of each project, in terms of their development hypotheses, multiple components, multi-stakeholder profiles and institutional partnerships, overall project management performance is not up to the mark. There are many reasons for this pervasive phenomenon. The constrained implementation capacity of district and divisional staff is one limitation; the inertia of the government apparatus is another. Anomalies in unit price structure generally also hint at governance problems, on top of other factors, such as inflation that may drive price volatility.

110. On the other hand, IFAD-funded projects in Kenya have gone a long way towards increasing accounting efficiency within a cumbersome pattern of bureaucracy where everything was driven by paper-based vouchers between district offices and the project management units. The motor behind this initiative was a finance officer in the Southern Nyanza project, who devised an Access-based system that captured all heads of accounts, in accordance with the charter of accounts of the Kenyan public administration. This has made it possible to book all project-related expenditures into a ledger and to send expenditure statements to the project management unit in digital form, which is now in a position to draw up monthly expenditure statements electronically and to produce outputs in the formats most used by the Government and IFAD. The Mount Kenya and Central Kenya projects have adopted the same system, and it is reported that the Dairy Commercialization and Horticulture Marketing projects intend to do so. The openness to innovation within projects, and collaboration between them has helped to ease the burden of cumbersome fund management and accounting procedures.

111. Efficiency is a particularly critical issue in the case of the Eastern Province project, with its highly unsatisfactory rating. At project completion, costs for project

[67] Ibid., paragraph 112.

management and monitoring had reached 49 per cent of total expenditures against an appraisal estimate of 12 per cent. Of greater concern, however, was the fact that 23 per cent of total project costs were shown as unallocated, meaning that they were unaccounted for and that, consequently, this case of obvious mismanagement was never addressed.

112. In conclusion, some of the main 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. Therefore, efficiency is rated as only moderately unsatisfactory (3) across the entire portfolio.

E. Rural Poverty Impact

113. Rural poverty impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor as a result of development interventions. The IFAD evaluation manual disaggregates the assessment of rural poverty impact into five domains: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; (iv) natural resources, environment and climate change; and (v) institutions and policies.

114. In order to be able to make an appropriate impact assessment, the CPE decided to analyse and rate four of the seven projects covered in this evaluation. These include the Eastern Province, Central Kenya, Mount Kenya, and Southern Nyanza operations. The Dairy Commercialization and Horticulture Marketing projects – given their relative young age in terms of implementation – have not been rated but information concerning emerging impacts have been embedded as needed within each of the five impact domains. The most recent project on Rural Finance has not been treated, as it only became effective in December 2010.

Household Income and Assets

115. Household income provide a means to assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The projects reviewed all had a positive impact on household incomes. The operations exposed to impact surveys or PPAs revealed that additional income was mostly generated by productivity increases in agriculture and livestock, and also by the promotion of income-generating activities.

116. The PPA of the Eastern Province project included a survey to gauge its impact on household incomes. A high proportion of the beneficiaries (78 per cent) reported that they were better-off today than they were seven years ago, more or less at the beginning of the project. However, around 50 per cent of non-beneficiaries also claimed a similar improvement during that period. Therefore, the CPE believes there was either an overall improvement in the project area or that there had been a positive spill-over effect in the form of indirect beneficiaries.

117. The proxy indicators of money saving, labour hiring and cash crop production were used to determine financial changes in the households benefiting from this intervention. In this regard, 43 per cent of the beneficiaries had savings (compared with 27 per cent of the non-beneficiaries), of which 62 per cent reported an increase since the beginning of the project (compared with 46 per cent of the non-beneficiaries). In 2008, 71 per cent of the beneficiaries were hiring additional temporary labour for their fieldwork (compared with 42 per cent of the non-beneficiaries), of which 25 per cent hired more than 31 labour days (compared with 6 per cent of the non-beneficiaries). 65 per cent of those hiring labour stated that it was more than they had done before project implementation (compared with 47 per cent of the non-beneficiaries). 80 per cent of the beneficiaries reported an increase in yields of irrigated crops since the beginning of the project, which is likely to have had a positive impact on incomes as well, even though this is not easy to quantify. Box 1 summarizes some of the results emerging from the Mount Kenya impact study. Similar success stories have been reported by the Central

Kenya and Southern Nyanza projects. However, neither has been the subject of a final impact assessment.

Box 1
MKEPP Case Studies of Impact on Income and Assets

- In Gaatia Umoja Farmer Field School (Imenti South), beneficiaries increased their incomes through sales of tissue culture bananas. The income of one farmer increased from KES16,000 before the project to KES 135,000 after project interventions.
- A case study of Enamo SHG Tree Nursery (Mbeere District) shows increased incomes of KES2,000 per member from the sale of tree seedlings over a three-month period. One farmer sold a total of 6,000 tree seedlings for about KES60,000 in 2008, compared with the 1,200 seedlings he produced before project interventions in 2004.
- The Wamiti Community Organization (Kiriari FDA–Kapingazi river basin), which mostly comprises women, had no income from tree seedlings before project interventions. Thanks to the project, the group has sold 10,660 tree seedlings per year since 2006, at KES20 per seedling.
- Jacob Kiriungi (Kathita river basin), who owns an Umoja tree nursery and used to produce 400 seedlings per year before the project, has now raised 6,000 seedlings and sold them at an average price of KES15 per seedling. Thanks to sales of these seedlings, he has been able to build a better house, and to buy five goats, a motorized water pump and a small water tank.
- Alex Ngari of Thamari Association in Embu has made a significant jump from working as a farm employee earning KES3,500 per month. While still employed, he spent his evenings growing cabbages on his family farm and earned KES48,000 from the sale of them. He left employment in March 2009 to work full-time on his own farm. By the time of the present CPE, and despite the severe drought that reduced irrigation water significantly, Alex has made a total of KES121,000 from the sale of butternut squash, chillies, tomatoes and cabbages. With this income, he has bought two dairy cows and two goats, is fully able to take care of his family and ailing mother, and pay school fees for a seven year-old child. He now has five employees, one of whom is a records clerk. In terms of gender relations within the family, his wife claimed that they plan everything together. The transformation of Alex from employee to employer is likely to influence others, particularly young people who often avoid agricultural work.

118. In all the projects visited by the CPE team, it was not easy to measure the impact on women's income because gender desegregation was limited. While the design of the Southern Nyanza project was sensitive to gender equality and women's empowerment, the baseline[68] and interim impact surveys[69] did not capture gender-specific income information.

Human and Social Capital and Empowerment

119. The aim of this impact domain is to assess the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, and the poor's individual and collective capacity.

120. Impact is more prominent in the Central Kenya and Southern Nyanza projects because of their strong focus on social development, particularly health, sanitation and domestic water. It is particularly prominent in the Southern Nyanza operation given its emphasis on adult literacy activities. Both the projects reported reduced incidence of morbidity and mortality thanks to better access to health and water facilities with project support.[70]

121. The CPE found evidence of an ongoing change in the role of women in the various SHGs and CBOs. Traditions in some of Kenya's ethnic groups have tended to exclude women from attending meetings together with men, or to take the floor and participate in decision-making. There is a visible difference today. Women's participation in adult literacy classes seems to be one of the ingredients that facilitate such changes.

122. All projects have invested in capacity-building to strengthen the cohesiveness of groups and, subsequently, the management capacity of sustainable enterprises. Measuring the extent to which the groups have achieved adequate capacity levels

[68] SNCDP, Baseline Survey, Final Draft Report, Log Associates, September 2006.
[69] Republic of Kenya, SNCDP, Interim Project Assessment Report, 2009.
[70] SNCDP Impact Assessment, page 69.

has been difficult to date owing to the lack of a systematic assessment tool. The exception here is the Dairy Commercialization project, which has adopted the "mode approach",[71] but the project was not included in the impact assessment as it only recently got under way. Moreover, indicators for group sustainability have not been well defined in the logframes. Consequently, baseline and impact surveys have paid little attention to measuring human and social capital and empowerment. In general, all projects have yet to strengthen enterprise building. However, the mission observed some groups with good management capacity, especially water user groups and health facility management committees in the Central Kenya project, such as the Kamumwe water project (box 2). Women appeared to play a substantial role in all the water user groups.

Box 2
Kamumwe Water Supply System (CKDAP)

KAMUMWE is the umbrella organization of three water users groups that ensure the common management of a main intake and tank. Civil works started in 2004 and completed in 2006, and the system was fully operational after two years. The speed at which the communities were able to mobilize funds and labour was extraordinary; they raised about KES 4 million, completed construction of main tank within one year, 4.2 km of trenching in nine days and pipe-laying in 11 days. Today, the group is able to cover all operation and maintenance costs by adopting a meter system. What is still needed is support in accounting and for the calculation of water tariffs based on all costs, including depreciation.

Food Security and Agricultural Productivity

123. This impact domains aims to assess changes in food security relate to availability, access to food and stability of access, whereas changes in agriculture productivity are measured in terms of yields.

124. The CPE found that there have been improvements in food security, mostly as a result of increased agricultural productivity. Surveys conducted by Central Kenya project[72] indicate a reduction of food-insecure months from five to one per year in three districts of the project areas, and a concurrent increase of agricultural productivity of 50-100 per cent on average, with resulting increased returns to labour. The CPE's own PPA of the Eastern Province operation[73] describes similar trends, but claims that the productivity leaps were not sufficient to bring to zero the number of food-insecure months, especially during drought years. Consequently, project investments in irrigation water were particularly meaningful. The PPA of the Mount Kenya[74] operation done by the CPE corroborates this finding.

125. If productivity gains have been substantial, as direct and documentary evidence suggests, what were the necessary ingredients? The answer is that improved seeds, planting material and animal breeds were available, and that the projects in the portfolio were able to tap into them. Tissue culture bananas, hybrid maize seeds, disease-resistant cassava and productive pineapple can be purchased in the marketplace, and more than one improved dairy goat breed is freely available (German Alpine and Toggenburg). The introduction of this improved genetic stock made a big difference to the previous low levels of productivity.

126. It should be borne in mind, however, that improved genetic stock requires proper management if it is to demonstrate its potential. All projects have invested in awareness-building, training and coaching of farmers, men and women alike. As one head of household put it: "I was a peasant before, now I am a businessman". The secret behind this is that all projects consciously promoted cash crops and cash-yielding animal products, such as breeding animals, milk and eggs. Another

[71] The 'mode approach' consists in classifying SHGs into three modes, based on their organizational maturity and financial sustainability. The training and coaching of these groups allows them to migrate to higher modes.
[72] CKDAP. Trends in Livelihoods, 2009.
[73] IFAD/Republic of Kenya. PPA of Eastern Province Horticulture and Traditional Food Crops Project, 2009.
[74] IFAD/Republic of Kenya. PPA of Mount Kenya East Pilot Project for Natural Resource Management, 2009.

salient point is that the farmers themselves were encouraged by the projects to become agents of change. Another example of such emancipation is given in box 3 below.

Box 3
Farmers Become Technical Advisors

Profession: Technical Advisor

Simon Warui, Chairman of the Nguyoini Dairy Goat SHG, used to be a typical small farmer struggling to make ends meet in one of the dryer pockets of Central Province. He was trained by the Dairy Goat Association of Kenya (DGAK) to provide technical services both to his SHG members and to dairy goat farmers, which is now his main occupation. He has been able to diversify his sources of income, and his house now has solar panels for lighting and a simple biogas plant that provides energy for cooking.

DGAK provides buck rotation services to its members. Prices for dairy goat breeding animals have risen from KES1,500 to KES6,000, and demand is rising. DGAK receives income both from sales of breeding animals and from the services it provides, and its advice is much sought after by other farmers and SHGs wishing to adopt dairy goat breeding.

127. In conclusion, when considering the relative advances made in terms of improving food security and agricultural productivity, it is clear that the underlying driver was a mix of adequate – and available – technology choices, such as improved crop varieties, proven methods of improved soil fertility management and the introduction of better performing breeds of farm animals. Intense awareness-building, training and coaching, and the building up of social capital by farmers, including women, were crucial additions for the observed impact, with potential for replication.

Natural Resources, Environment and Climate Change

128. IFAD has included natural resources and environment as a main component in only the Mount Kenya project, and elements of it appear in the agricultural component of Central Kenya project, aimed at building irrigation schemes and promoting sustainable farming practices. The PPA of the Eastern Province operation was unable to assess impact on natural resources and the environment.[75] In the Central Kenya project area, thousands of farms now have access to irrigation or micro-irrigation systems and/or apply sustainable farming practices such as contour lines and grass strips. As a result, tree nurseries have now become small business ventures.

129. In the case of the Mount Kenya project, the PPA was straightforward in concluding that the impact was significant with regard to natural resources and the environment, even prior to project completion. Such impact was relevant for mitigating the effects on natural resources and the environment and adapting to climate change.[76] The following are some salient features of the operation:

(i) **Vegetation.** Tree cover has greatly increased in the project area thanks to planting activities sponsored by the project on various sites, for example, in the forest reserve, along the riverbanks, in schools, urban centres, springs, on

[75] "An environmental impact assessment of the nine irrigation schemes conducted in the context of the project completion report (PCR) found that there was potential pollution of ground and surface water through leaching of fertilizers and buried pesticide residues by rainfall into water sources. The mission could not verify this aspect and consequently refrains from a rating in this regard".
[76] IFAD/MoWI. MKEPP Mid-Term Review, 2009.

farms, hilltops, etc. This has ensured that most of the demand for wood is met because an estimated 80 per cent of Kenyans living in the higher altitudes depend on wood for cooking and heating. Increased availability of wood on-farm has reduced pressure on trust lands, and thereby improved the integrity of the trust lands, hill tops and river banks.

(ii) Access to water resources has increased and water kiosks have made it possible to distribute cleaner water within reachable distances. Closer availability of water has enabled community members to devote more time to other income-generating household activities. Also, availability of water has increased the level of sanitation and personal hygiene, thereby reducing the incidence of water-borne disease.

(iii) The river basin management subcomponent of the project focused on water resources management and on better water use and efficiency for existing schemes. The PPA estimates that most of the measures put in place will greatly improve both the quality and quantity of water in rivers in Mount Kenya East region and, in the long run, contribute to greater efficiency in water use, increased river flows and reduced sedimentation. A few of the streams visited by the evaluation team showed a reduced sediment load compared with before the project, as confirmed by farmers, when they compared the situation before the project.

(iv) The capacity of communities has been strengthened with regard to nursery and tree planting practices, agroforestry practices, soil and water conservation techniques and river bank/woodlot planting. All of this will no doubt contribute to increased adoption of soil and water conservation and to reducing land degradation on farmlands, river basins and trust lands, both in the target area and further afield.

(v) The enhanced technical and management capacity of Kenya Wildlife Service and Kenya Forest Service staff under the GEF grant component is expected to contribute to improving the integrity of the Mount Kenya forest through better natural resources management and biodiversity conservation. Thanks to this, forest cover has already increased and human/wildlife conflicts have been reduced.

130. It is also fair to note that the Mount Kenya project is considered as a best practice in the IFAD's Climate Change Policy approved by the Board in April 2010. The project seeks to halt the environmental degradation, flooding and drought resulting from deforestation and inappropriate agricultural practices in one of the regions' most vulnerable to climate change.[77]

131. In the remaining projects, such as Southern Nyanza and Horticulture Marketing projects, the provision of irrigation water also played a certain role by putting a scarce but essential natural resource to use by the population. The CPE was unable to detect any negative impacts on natural resources and the environment in any of the projects under review.

Institutions and Policies

132. This criterion is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.

133. It is fair to say that IFAD has not created a parallel system for service delivery at the district and subdistrict levels, where all project activities are implemented under the normal local government set-up. So far, this is consistent with the principles of the Paris Declaration, but it is a fact that relatively well-staffed programme management units (PMUs) are necessary to keep project implementation going. IFAD-supported projects have contributed to the emergence of district coordination mechanisms and helped to mainstream collaboration between local government

[77] IFAIFAD/MoWI. MKEPP Mid-Term Review, 2009; and IFAD's Climate Change Policy, May 2010, page 12.

agencies and CBOs and SHGs. These achievements are not to be underrated because the responsiveness of local governments to the demands of CBOs and SHGs has become standard procedure, and because it is also a factor of sustainability.

134. In order to improve service delivery, capacity-building has been undertaken for government staff involved in community development/empowerment and health and water supply components. However, that would have been more meaningful had all projects undertaken capacity assessments on a systematic basis and then evaluated the results. Only the Southern Nyanza and the Mount Kenya projects prepared a training needs' assessment early on. The Central Kenya project did it too late (in 2007-08) and the Dairy Commercialization not at all.

135. Both value chain projects (Dairy Commercialization and Horticulture Marketing) have distinct components addressing the policy dimensions of their respective sub-sectors. Project staff participate in policy-related meetings and other activities. However, there are two reasons for exercising caution with regard to the portfolio's effect in the institutions and policy impact domain. First, approved legislation, which is the tangible expression of political will, is very slowly forthcoming in Kenya. Second, none of the projects in the Kenya portfolio were directly involved in the advanced stages of policy dialogue. In any case, the issue of policy will be treated further in Chapter VI of the report.

F. Other Performance Criteria

136. The CPE also makes an assessment of the project portfolio across three additional criteria. These are: (i) sustainability, (ii) innovation and scaling up; and (iii) gender equality and women's empowerment.

Sustainability

137. Sustainability is the likely continuation of net benefits from a development intervention beyond the phase of external funding support. All projects, except the most recent rural finance operation, have been treated in this analysis.

138. The CPE identifies a number of generic factors that are important for promoting sustainability in the Kenya country programme. In terms of institutional sustainability, IFAD-funded projects have been executed in Kenya mostly by Government Ministries and line departments at the provincial and district levels. On the one hand this is reassuring, given expectations of continuity in government support and commitment for agriculture and rural development projects. At the same time, however, the implications of the forthcoming constitutional reforms on the Kenyan institutional landscape are expected to be far reaching. For instance, Ministries and line departments are likely to be merged and/or streamlined, which will create at least in the interim period uncertainty about the role and responsibilities, and possibly vacuum in service delivery, in relation to IFAD-supported projects.

139. Another important feature driving sustainability is due to the participatory process in project design and implementation, which is generating ownership and commitment. For example, all projects reviewed heavily invested in strengthening the capacity of CBOs, and insisted on financial and in-kind contributions from them. This is turning out to be an essential ingredient for ensuring sustainability of benefits. Similarly, the use of low cost technology (e.g., for horticulture activities) leading to enhanced productivity has results in better revenues for the rural poor, resulting in communities wanting to continue their achievements. Exit strategies have been part of design only in more recent projects, such as the Dairy Commercialization and Horticulture Marketing projects, which has allowed key stakeholder to prepare in a coherent manner for post-project follow-up, as needed. Another major concern, as also reported in the 2007 COSOP, is the capacity of service delivery at the local level. This continues to remain weak and is a key concern for sustainability.

140. Perhaps the most serious concern to sustainability of benefits is the sub-sector dispersion of the Kenya country programme. Involvement in numerous sub-sectors is diluting resources and requires capacities in multiple thematic areas. It is also likely to create divided responsibilities among lead executing agencies, which might prove extremely difficult to reconcile in the post-project periods.

141. The individual ratings on sustainability for the projects covered may be found in annex V. The overall composite rating for sustainability of the Kenya project portfolio is moderately satisfactory.

Innovation and Scaling up

142. This criteria assesses the extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and other agencies.

143. The CPE found innovations promoted in the Kenya project portfolio. The collaboration with Equity Bank in the most recent project, which includes IFAD's contribution towards a credit guarantee fund together with AGRA, is an innovative example of partnership between the public and private sector and the NGO community (AGRA). The pioneering work related to river basin management and community involvement in promoting tree cover in the Mount Kenya project area are other examples of innovations. It in fact appears that Government is planning to scale up key characteristics of the Mount Kenya project in the eastern region of the country, whereas the World Bank has recently decided to scale up the operations of the recent rural finance project by providing additional resources for the aforementioned credit guarantee scheme. One IFAD-supported project introduced computer software application for improving financial management, which has been taken up by other projects in the portfolio. The Southern Nyanza project introduced the concept of local livelihoods forums to promote community awareness of a wide range of socio-cultural issues. The Country Office worked in 2008 with a Masai Community on a unique adaptation of the Farmer Field Schools which feeds directly into the livestock value chain from management of the ecosystem and pasture, to the slaughter and marketing of beef, and finally to the productive use of waste by turning it into biogas in a concept dubbed "From Cows to Kilowatts". The overall community driven approaches applied by IFAD in the context of the Central Kenya and Southern Nyanza projects for managing and maintained rural water supply schemes were considered innovative and have been scaled up with Finnish contribution in a Euro 30 million project. There are other examples of innovations too in different projects.

144. These are on the whole encouraging achievements. At the same time, the CPE notes that innovations have been promoted in the projects in Kenya in an opportunistic manner, instead of charting out a strategic agenda of thematic or sub-sector areas of priority where innovations are most needed. The 2007 COSOP goes in the right direction, as it includes a useful section on innovations that could be pursued in line with each of the three strategic objectives contained in the country strategy. It does not however include priorities or expected results, nor is there any discussion on specific measures or resources that will be deployed for promoting innovations or ensure scaling up of successful innovations. In fact, the CPE could not find specific evidence of IFAD's proactive posture in promoting scaling up of the innovations mentioned in the previous paragraph.

145. The individual ratings for the seven projects assessed by the CPE for innovation and scaling up may be seen in annex V. All in all, the CPE's composite rating for innovation and scaling up in the Kenya project portfolio is moderately satisfactory.

Gender Equality and Women's Empowerment

146. This section makes an attempt to assess the results achieved in promoting gender equality and women's empowerment. It covers all seven projects treated by the

CPE, even though the most recent operation is not rated (i.e., the one on rural finance).

147. The newest IFAD-funded project on rural finance in Kenya states that at least 50 per cent of people accessing the credit facility will be women. Its logical framework does not however make provision for collection of data across key indicators in a gender disaggregated manner. The Horticulture Marketing projects notes that "of the overall target group, 36 per cent will be women". It does not however include any reference to gender or women equality in its development objectives, and the indicators in its logical framework do not make reference to collection of gender disaggregated data. The Dairy Commercialization project notes that about "65 per cent of the direct beneficiaries of the programme will be women". But, as for the Horticulture Marketing project, it has no reference to gender equality or women in its goal and purpose statement. There is, though, some provision for the collection of gender disaggregated data. In general, it is somewhat unfortunate that the design of these three newest projects do not make more explicit reference to gender equality and the role of women, given that women are major players in both dairy and horticultural development as well as activities related to rural financial services.

148. The Southern Nyanza project approved in 2003 includes a specific reference to gender balance in its objectives. It also makes good reference to the collection of gender-disaggregated data. As pointed out in Paragraph 86, women-related indicators are included in at least the log frames of the Mount Kenya, Southern Nyanza, Dairy Commercialization and Horticulture Marketing projects.

149. In spite of the aforementioned, direct evidence collected during the CPE's field visits, focus group discussions and interviews gave the impression that women were in fact involved in a host of project activities, especially farming (such as tree seedlings) and livestock rearing (such as goats). The MTR of the 2007 COSOP includes some encouraging data on the involvement of women in project activities (e.g. number of women trained in technical, managerial and social aspects, number of women active savers and borrowers, number of groups with women in leadership positions, etc.).

150. A recent gender assessment (2009) by ESA of the Central Kenya project investigated the impact of water, sanitation and hygiene interventions and their effect on gender roles and relations. The incidence of diarrhoeal diseases, intestinal worms, skin conditions and malaria has decreased, benefiting entire communities. This is a result of the adoption of improved sanitation and hygiene activities (such as use of dish racks, compost pits, water treatment and hand-washing) by men, women and children, and of the increased availability of water for personal hygiene. Women's back problems have also decreased, since they no longer have to carry heavy jerry cans back and forth every day. As a result of the promotion of water treatment by community health workers, increasingly women boil water for drinking purposes. Collecting water from within the homestead or from a nearby and abundant source such as a spring tap saves time and effort, leading to significant benefits for women and children. Women can spend more time and effort on other activities such as working at casual labour or in the fields, watering livestock, irrigating kitchen gardens or keeping their houses and surroundings clean. In addition, women have more time to cook meals at home and care for their children, with the result that family relationships are reportedly more harmonious. Some women have upgraded their livestock. For instance, the local zebu goat has been replaced by better breeds that produce more milk.

151. In addition, the CPE held discussions with the Kenya Women's Finance Trust, a long standing grant recipient of IFAD in Kenya. The Trust is a micro-finance institution providing credit through groups to rural women forming small-scale businesses. They have played an important role in supporting women beneficiaries access rural financial services for on and off farm income generation activities.

152. In conclusion, based on the evaluation's own analysis as well as a review of ESA self-assessment data, the CPE assesses the promotion of gender equality and women's empowerment in design and implementation in the Kenya project portfolio as moderately satisfactory. This is largely due to the fact that newer operations have not given – at least in design documents – the required attention to promoting gender equality and women's empowerment.

Overall Portfolio Achievement

153. Table 8 provides a summary of the composite ratings of the Kenya project portfolio by evaluation criteria applied in the CPE. Generally speaking, apart from the efficiency of IFAD operations, performance in all other evaluation criteria is either moderately satisfactory or satisfactory. It is noteworthy that performance in the natural resources, environment and climate change impact domain is satisfactory, which is generally an area of challenge in other countries covered by IFAD operations. This is largely due to the good work done in the context of the Central Kenya and Mount Kenya projects.

154. The overall portfolio achievement (which is moderately satisfactory) is based on seven criteria, namely relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender equality and women's empowerment.

Table 8
CPE Ratings of the Kenya Project Portfolio

Evaluation Criteria	*Kenya Project Portfolio Achievement*
Core performance criteria	
▪ Relevance	5
▪ Effectiveness	4
▪ Efficiency	3
Project performance[78]	4
Rural poverty impact	5
▪ Household income and assets	5
▪ Human and social capital and empowerment	5
▪ Food security and agricultural productivity	5
▪ Natural resources, environment and climate change	5
▪ Institutions and policies	4
Other performance criteria	
▪ Sustainability	4
▪ Innovation and scaling up	4
▪ Gender equality and women's empowerment	4
Overall portfolio achievement	**4**

Ratings are assigned on a scale of 1 to 6 (6 = highly satisfactory; 5 = satisfactory; 4 = moderately satisfactory; 3 = moderately unsatisfactory; 2 = unsatisfactory;1 = highly unsatisfactory).

[78] As per the IFAD Evaluation Manual, this criteria is a composite of relevance, effectiveness and efficiency.

Key Points

- The relevance of project objectives has been generally appropriate. However, limitations in project design and strategy have in some cases constrained effectiveness. For example, the two projects (respectively on Dairy Commercialization and Horticulture Marketing) have taken a largely government-led approach and would have required more genuine market integration by better assessing the needs of the poor and ensured greater involvement of private-sector partners.
- Significant attention to participatory processes and community empowerment – including involvement of NGOs and community based organizations – have been at the foundation of projects supported by IFAD in Kenya, and a main driver of effectiveness.
- Efficiency is the weakest performing evaluation criteria. Bureaucratic inertia, sluggish fund flows, multiple components, and the resulting limited project implementation capacity are some of the key barriers in this area.
- There has been generally good impact on household income and assets, social capital and empowerment, natural resources management and environment, and food security and agricultural productivity.
- Sustainability is rated as moderately satisfactory, mostly owing to the fact that the projects have built up broad-based SHGs and CBOs. The sub-sector dispersion of IFAD-funded activities in Kenya however poses challenges to ensuring sustainability of benefits as well as portfolio efficiency.
- A number of interesting innovations (e.g., the recent partnership with Equity Bank) have been found in the different projects funded by IFAD in Kenya. However, both the promotion of innovations and the examples of scaling up have been pursued without a strategic approach.
- There are opportunities for further emphasising the promotion of gender equality and women's empowerment as part of project design and strategy. Collection of data in a gender disaggregated manner would help in better understanding the achievements and areas that require attention in the future.
- On a general note, the portfolio assessment reveals that IFAD-funded activities have covered multiple components and sub-components and required multiple institutional partnerships and co-ordination in the past decade. This is leading to a fragmentation of assistance, which in the long run can constrain the wider contribution that the Fund can make to promoting sustainable agriculture and rural development in Kenya.

V. Performance of partners

155. This criterion assesses, *inter-alia,* the contribution of partners (IFAD, Government and cooperating institutions) to country strategy formulation, as well as project design, execution, monitoring and reporting, supervision and implementation support.

A. IFAD

156. IFAD deserves credit for its capacity to restart a country programme that was largely defunct at the end of the last century. Since 2000, the Fund developed two new COSOPs for Kenya and designed six new projects. ESA was also generally responsive to guidance provided by IFAD's quality enhancement and quality assurance processes during COSOP and project design, for example, especially in recent years tried to expand partnership with the private sector. As mentioned before, the Fund promptly implemented the 2006 supervision policy by taking over directly supervision and implementation support of all operations since 2007. The Fund undertook a MTR of the 2007 COSOP in 2010, which served as a useful instrument for identifying opportunities and challenges related to the country programme. It strengthened its country team working on Kenya and established a CPO in Nairobi in 2008. It opened a regional hub in 2007 for loan administration purposes, which has been transformed over time into a more comprehensive regional office (the country presence and regional office will be treated further below separately).

157. The Fund contributed as part of the United Nations in the development of the KJAS for 2007-2012. It has increasingly developed a good line of communication with the Government of Kenya, even though more could be achieved in building a stronger and concrete relationship with multilateral and bi-lateral organizations in the context of IFAD-financed projects in Kenya. It has promoted innovations (e.g., provision of loan funds as guarantee to expand rural finance outreach), some of which are now being scaled up by the IFAD itself, the Government and other donors.

158. Government and other major partners underlined the value of IFAD as an important player in Kenya in promoting small scale agriculture development. Its bottom up and participatory approach to agriculture and rural development were singled out as the Fund's comparative advantage that is much appreciated by all concerned. They did however also mention that the Fund could take a wider role in national policy processes, based on its field experiences and specialization in agriculture.

159. There are two main points that the CPE highlights that have not received sufficient attention and needs to be addressed moving forwards. Firstly, even though it is a shared responsibility with Government, M&E is a challenge. This was also noted in the MTR of the 2007 COSOP, which highlighted that some of the reasons for relatively weak performance included frequent turn-over of M&E staff, late baseline surveys, and inconsistency in the use of indicators in baseline surveys and project logical frameworks. Secondly, IFAD could have done more to ensure better linkages between the variety of instruments (loans, grants and non-lending activities), it has used to achieve the country strategy objectives (this will be discussed in more detail in chapter VII). This view is also articulated to a large extent in the CPM's self-assessment about the country programme (see annex VII of the report).

160. **IFAD country presence office (CPO).** There was a marked surge in IFAD's performance after it opened a Kenya CPO in 2008. The CPO is currently staffed with a CPM/IFAD Representative, an Associate CPM and a Country Programme Assistant. It is one of the seven countries in all regions where IFAD had has an out posted CPM as of December 2010. The hosting agreement between the Government of Kenya and the United Nations Environmental Programme (UNEP) applies to the IFAD CPO and allows the CPO to be covered by the necessary privileges and immunities that other UN organizations with offices in Kenya already have. The country staff is fairly new in Nairobi, but the situation will improve as the office staff fully familiarises with the country context, projects and partners. All central government partners interviewed confirmed their appreciation of IFAD's enhanced accessibility and expected lower transaction costs for country programme management. The results of the project managers' self-assessment in annex VI reached the same conclusion. On the other hand, it also stressed that "inadequate staff capacity at the CPO had caused some delays". The opening of the CPO has however enhanced prospects for policy dialogue and for the forging of partnerships. However, 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.

161. Direct supervision and implementation support – undertaken by the country office - also appears to be appreciated both by the projects and central government agencies. This new arrangement has made it possible to combine the verification of fiduciary aspects with technical and methodological implementation support, which was not obvious when UNOPS was in charge of both loan administration and project supervision. IFAD's country presence and direct supervision and implementation support can be considered as a synergy-building package conducive to closer interaction and transparency. The CPMT is appreciated by government for its responsibility of advising and providing inputs towards country programme management. The most recent example was the participation of the CPMT based in Nairobi by video conference in the discussion at IFAD's Operations Policy and Strategy Committee in March 2011, which met to discuss the concept note for the design of the follow-up phase of the Mount Kenya project.

162. ESA has also established a regional office in Nairobi, which provides support to the Kenya country programme and other country programmes in the region. As such, the role and opportunities and challenges associated with the ESA regional office is also covered by the CPE in the following paragraphs.

163. **IFAD regional Office.** In addition to assessing the IFAD country presence in Kenya, the Kenya CPE was also tasked with reviewing the role and functioning of

the ESA regional office. The below paragraphs therefore include the CPE's findings on the regional office.

164. The ESA set up a regional hub in Nairobi in 2007, soon after IFAD decided to undertake direct supervision and implementation support globally and discontinue contracting UNOPS for the same purposes. In this regard, ESA seized a timely opportunity and brought under its own contracts selected staff (i.e., a loan administration officer and two loan administration assistants) that previously worked for UNOPS in support of IFAD-assisted operations in the region. The rationale was that ESA could take advantage of the expertise and experience of these former UNOPS staff for the benefit of IFAD-supported activities. As such, the loan administration staff was among the first staff in the ESA regional hub, which was initially primarily responsible for conducting loan administration for IFAD-supported projects in East and Southern African region.

165. However, over time, the regional hub has evolved and taken on wider technical responsibilities in supporting IFAD-assisted country programmes throughout the region. Its mandate and responsibilities can now be considered broadly similar to regional offices of other multilateral development organization. In fact, the regional hub has now been transformed into a regional office, and its overall objective is to play a pivotal role in implementing the new operating model approach to ensure effective country programmes in East and Southern Africa, project design, supervision and implementation support, and knowledge management, innovation, policy dialogue and partnership. Particular emphasis is attributed to providing advice and support to CPMs and their country teams across the region. As needed, they are in turn supported by ESA technical staff based at headquarters (dealing with, for example, knowledge management, financial management, regional economics, etc.), who also travel periodically from Rome to projects and countries in East and Southern Africa in close co-ordination with the regional office.

166. The regional office is now headed by a portfolio adviser, who took up his assignment in Nairobi in January 2011 and has specific terms of reference. Before his arrival, the CPM for Kenya was responsible for overseeing the work of the loan administration staff as well as three additional IFAD technical officer (i.e., experts on gender, land tenure, and financial analysis) that had been assigned to the regional office after 2007. The three technical officers as well as the three loan administration staff, based in the Nairobi regional office, now report to the portfolio adviser, who directly reports to Director ESA in Rome. In addition, the regional office is currently recruiting two additional fixed-term loan administration assistants, given the very demanding work load in servicing the entire ongoing regional portfolio in this area.[79]

167. The administrative services unit within the regional office also provides support to the IFAD country office for Kenya. The IFAD country office and regional office staff has recently relocated within the United Nations compound in Nairobi. This is a positive development, *inter-alia*, as the Fund is able to benefit from greater visibility and shared services provided by the United Nations (e.g., security, information technology backstopping, commitment controls on administrative budgets, etc). Its physical proximity to other UN organizations offers added opportunities for dialogue and exchanges, which can also open doors for collaboration on strategic, policy and operational matters. The IFAD Office in Nairobi[80] has not yet received its full space allocation from UNON. The full allocation is expected to take care of the medium term requirements of increased staffing of the Nairobi Office. The host agreement between UNEP and the Government does not appear to cover the ESA regional office, which is something that merits to be pursued in a timely manner. The Kenya Country Presence administrative budget (covering the country office and the regional) is managed by the portfolio adviser.

[79] For example, the three loan administration staff processed 520 withdrawal applications in 2010.
[80] The Regional Office and the Kenya Country Office are on the same premises.

168. All in all, the CPE believes the establishment of the ESA regional office, the first in any of the five geographic regions covered by IFAD operations, is a laudable initiative in the right direction. Among other issues, the regional office offers a number of opportunities for IFAD to work towards lowering overall administrative costs, and at the same time, contribute to better results on rural poverty in recipient countries in East and Southern Africa. For example, in terms of loan administration, working out of Nairobi enables quicker processing of withdrawal applications and loan disbursements that can ensure a more timely replenishment of project special accounts. This in turn can minimise possible delays to project implementation. As another example, technical staff located in the Nairobi office can provide advices to project staff and others in Kenya and throughout the region at lower costs and in a quicker time frame. Moreover, having a wider set of technical staff in the regional office allows the Kenya CPM to focus on the Kenya country programme, while at the same time enabling IFAD to actively pursue partnership opportunities with the range of multilateral development organizations that have regional or sub-regional offices in Nairobi – in addition to UNEP, some CGIAR institutions (e.g., ICRAF) and pan-African foundations (e.g., AGRA) that are headquartered in Nairobi itself.

169. Having said that, although it is known for its relatively good infrastructure and access, the CPE could not find any documented analysis of alternatives within ESA region before Nairobi was selected as the location of the first IFAD regional office. The principle reasons are probably those captured in paragraph 164. Nor was there any debate at the management level in IFAD whether ESA was the right geographic region (of the five geographic regions covered by IFAD operations) in which such an office should be opened first.

170. Moving forward, the CPE believes it is important that the establishment of ESA's regional office and its specific role and functions be communicated to all concerned within IFAD and throughout the region. This will require clarifying the interactions between the regional office and the Kenya country office, as well as an assessment whether additional technical expertise on critical issues for the region (e.g., water management) needs to be located in Nairobi.

171. In addition, the pros and cons of out posting from Rome to the regional office some other CPMs for countries that neighbour Kenya (such as Burundi and Rwanda) could also be explored, as this could be an effective way of bringing IFAD closer to the ground, without incurring the expenses of opening offices in countries with few operations Finally, while it is not specific to the regional office or the Kenya country office, the incentives framework, rotation system, and compensation package of out posted staff needs reflection and elaboration, so that IFAD continues to remain an attractive organization to work for in the future. It is in fact essential that IFAD develop clarity on these matters at the corporate level to ensure that the Fund's broader decentralization efforts, including the ESA regional office, can be sustainable and provide the expected returns for the organization.

172. In conclusion, all in all, the CPE considers the performance of IFAD as a key partner in reducing rural poverty in Kenya as satisfactory in the last ten years.

B. Government

173. At the outset, it should be borne in mind that this section deals with an overall assessment of both the central and local governments and their agencies involved in IFAD-supported operations. IFAD's main partner agencies in central government, the Ministries of Agriculture, Finance and Planning have long maintained close dialogue and cooperation with the Fund. They have been fully supportive of the organization's role in Kenya's agriculture and rural development efforts, and have been forthcoming with advice on strategy and operational issues. The Ministries of Finance, Planning, Agriculture, Livestock, Water and Irrigation, Public Health, and Gender Children and Social Development have designated focal points for IFAD matters. Among other things, the establishment of this focal point has facilitated the negotiation and application of changes in project design, where applicable (in

the Central Kenya and Southern Nyanza projects), and in multi-stakeholder coordination among public-sector agencies. Government also facilitated the finalization of the hosting agreement that led to the establishment of IFAD CPO in Nairobi, with the required privileges and immunities for international staff.

174. In recent years, Government has also made concerted efforts to develop key national policies to revitalize the agriculture sector, given its centrality in national GDP. In particular, the Government has prepared the Agriculture Sector Development Strategy 2010-2020 and the Kenya Vision 2030, which outline the main opportunities and challenges, as well as priorities moving forward for agriculture development in the country. Other key sub-sector policies are also under preparation or nearing completion (e.g., National Irrigation Policy). However, based on past experience, policy implementation is weak. The fate of Kenya's dairy policy is an example here. Formulated in 1993, it has since been revised a number of times (in 1997 and 2000 – when it was presented together with a draft Dairy Industry Bill – and again in 2004 and 2005) but has never been finalized or implemented. Moreover, as mentioned in chapter II, national budget allocation to agriculture is also still not sufficient, especially given the importance of the sector in Kenya and some inherent institutional weaknesses (e.g., in research and extension).

175. Provincial governments have been supportive, too, in areas where IFAD's operations are concentrated. However, it is local government, i.e. district and sub-district authorities that carry the brunt of the heavy workload resulting from a donor-funded activities. There, two factors need to be taken into account. First, the ongoing constitutional and corresponding administrative reform places an enormous burden of stress on the human and financial resources of all government departments. Many of the new districts operate out of the previous district headquarters, and are far from having the necessary staff to implement their core tasks of service delivery, which are already complex enough, especially when procurement is involved. Second, IFAD is generally not the only donor financing projects that require specific routines of monitoring and reporting. The performance contract that every civil servant underwrites with his or her line ministry does not normally include tasks pertaining to IFAD-supported project implementation, who often therefore put IFAD project-related activities in a second or third line of priorities. The foregoing suggests that the Government has assumed ownership and responsibility for IFAD-funded projects/programmes at the central level. That tasks pertaining to IFAD-financed projects are not included in the contracts of civil servants, however, points to a lack of genuine ownership where it matters most, i.e. at the field operations level.

176. Over and above these structural and resource constraints, a number of symptoms of weak governance give rise to concern. It is hardly conceivable that a country with the most developed economy in East Africa, a sound macroeconomic track record, good fiscal performance and longstanding exposure to donor funding through government channels, should not have come to grips with the task of issuing AIEs in a timely manner. Delayed availability of AIEs is one of the most serious stumbling blocks to timely project implementation. It should be possible to solve the problem of delays between the submission of withdrawal applications and effective reimbursement of the amounts claimed. Price Waterhouse Coopers[81] made an analysis limited to a sample of four withdrawal applications from the Smallholder Dairy Commercialization Project in 2008 and 2009, and concluded that withdrawal applications took at total average of 66 days between withdrawal application submission to the lead ministry and deposit of the amount claimed into the special account. From there, it took another three months to have the amounts credited to the project account. Other projects presented evidence of similar delays, i.e. in the range of five months in all. In fact, slow disbursement is one major concern raised

[81] Price Waterhouse Coopers (PWC). SDCP, Report on Flow of Funds for the Period from 01 July 2008 to 30 June 2009, Loan Account No 678 KE and Grant No BC 815 KE, Nairobi, February 2010. PWC is the auditing firm entrusted by IFAD to perform a rolling audit in all IFAD-funded projects, in the interests of ensuring stringent financial management and transparency.

in the CPE self-assessment done by the IFAD-supported projects. It is true that delays before obtaining no objections by IFAD have also occurred, but the IFAD country presence has improved such lags. Finally, reports from the Kenya National Audit Office can also be disruptive if they contain assertions that are unfounded or based on incomplete evidence. Such events seriously disrupt routine PMU activities.

177. Unexplained and unexplainable unit cost anomalies indicate that deviations from sound governance principles tend to go unnoticed and/or unaddressed. This last and other constraints on efficient project management, and governance in general, are accurately described in the CPM self-assessment in annex VII, section B.1. The data contained in table 4, on Kenya's governance indicators is a reflection of these findings. The fact that Kenya is one of very few developing countries where a rolling audit is deemed necessary by IFAD is a clear indication that fund management, accounts and audits by the Government have not yet reached satisfactory levels. The above remarks are largely corroborated by the ESA Portfolio Performance Report, Mid-Year Review 2009 of ESA,[82] highlighting in particular that all 2008 project audit reports from Kenya were submitted with delays and lacking the auditor's opinion. The World Bank's annual surveys on the statistical capacity of its Member States indirectly underpin the perception that government adherence to good practice is not sufficiently reliable. Between 2004 and 2009, Kenya's statistical capacity indicator deteriorated from 60 to 54 points on a 100-point scale.

178. On another issue, the evaluation found that Government of Kenya has provided merely around 7 per cent – as counterpart funds – of the total IFAD-supported project costs since 2000. The CPE believes this is a relatively small amount, *inter-alia,* taking into consideration that the agriculture sector is critical for economic growth in Kenya and the sheer numbers of rural poor people who derive their livelihoods from agriculture. This is low also in comparison with some other countries in the same region. For example, in Rwanda, where the IOE is concurrently completing another CPE, the Government's contribution has been around 13 per cent of the total IFAD-supported project costs. This is revealing given that GDP per capita in Rwanda is more or less US$530, as compared to US$738 in Kenya.

179. In conclusion, in assessing government performance, the CPE takes into consideration the overall performance of both the central and provincial/local level governments. Moreover, the CPE's assessment is based on government performance spanning a decade, since around year 2000. While government has recently shown determination to devote deeper attention to agriculture and address some of the structural weaknesses in the performance of IFAD-supported projects, their track record in the past such as in terms of limited policy implementation, insufficient budget allocation towards the agriculture sector, delays in providing authorization to incur expense, inadequate institutional capacity at the local level, as well as weak financial management and governance have been factored into the evaluation's final assessment. These findings are also confirmed in the section on "lessons from IFAD"s past experience in the country" in the 2007 COSOP. Based on the above and taking into consideration all ingredients, the CPE rates the government performance overall as moderately unsatisfactory.

C. Cooperating Institutions

180. Until not too long ago, UNOPS was IFAD's main cooperating institution in Kenya. For most of the period under review, it effectively dealt with loan administration and supervision in terms of mission frequency and contents of supervision reports. However, it did not follow up sufficiently, especially in providing technical implementation support to project. Supervision mission funding was limited and UNOPS's implementation support inputs were supplemented by the hands-on efforts of the CPMs. A review of relevant supervision reports concluded that UNOPS generally did a good job in identifying problems, mainly related to fiduciary aspects.

[82] IFAD. Portfolio Performance Report Mid-Year Review 2009, East and Southern Africa Division, Volume 1, July 2009.

The self-assessment by project managers (see annex VI of the CPE report) supports these statements, but added that the continuity of supervision mission members was often weak, which led to inconsistency in advices and guidance. In one case, the project noted that the quality of consultants deployed by UNOPS was inadequate and there were delays in backstopping.

181. Overall, the performance of the UNOPS as the main cooperating institution is considered as moderately satisfactory. Table 9 shows the CPE's overall rating for the three main partners included in the assessment.

Table 9
CPE Ratings of Performance of Partners

	Rating
IFAD	5
Government of Kenya	3
Cooperating institution (UNOPS)	4

Key Points

- IFAD has made concerted efforts to redevelop the country programme in Kenya, after a fairly long disruption of activities in the 1990s. IFAD has since 2000 prepared two COSOPs, financed 6 projects, established a country office in Kenya with the CPM outposted in Nairobi, and started to undertake direct supervision and implementation support in all operations since around 2007.
- There are however issues with the arrangements related to both the Kenya country office and the recently established ESA regional office in Nairobi that merit attention (e.g., capacity of the Kenya country office to undertake non-lending activities, and the organization and structure of the regional office), to ensure they can make a more effective contribution in the future.
- The government has recently demonstrated increased determination to revitalize the agriculture sector (e.g., by introducing a new agriculture sector development strategy) and to address some of the structural inadequacies in supporting the IFAD-assisted projects (e.g., in terms of assigning focal points in the Ministries of Finance, Planning, Agriculture, Livestock, Water and Irrigation, Public Health, and Gender Children and Social Development to provide more timely support to implementation bottlenecks). However, all in all in the ten years covered by the CPE, among other issues, Government's counterpart contributions have been low, capacity at the local level insufficient, and financial and procurement management weak causing bottlenecks to implementation. Their allocation of national budget to the agriculture sector has for the past decade fallen very short as compared to the 10 per cent target agreed and enshrined in the 2003 Maputo declaration. Moreover, the institutional architecture in the agriculture sector is highly fragmented with 10 ministries with different sub-sector priorities dealing with agriculture and rural development, which has created severe challenges in developing the country's agriculture.
- UNOPS provided adequate support and loan implementation, although in instances its support was untimely and advices inconsistent due to frequent changes in human resources deployed in supervision missions.

VI. Assessment of non-lending activities

182. As mentioned earlier, in addition to loans, IFAD undertakes a range of non-lending activities to support the country programme. These include policy dialogue, partnership building and knowledge management. This chapter provides an assessment and rating of the combined achievements by IFAD and the Government in each of these areas. In addition, towards the end, the chapter also includes a discussion of IFAD grant-funded activities in Kenya.

A. Policy Dialogue

183. In this section, the aim is to assess the performance of IFAD and Government in engaging in policy dialogue on major agriculture strategy and operational issues that are critical for promoting pro-poor agriculture growth and development. The efforts made by IFAD to also establish dialogue with other major players (e.g., multilateral and bi-lateral organizations) in support of promoting a more favourable policy environment in the agriculture sector is also treated in the CPE.

184. As mentioned in Chapter III, the 2002 and 2007 COSOPs outline priority areas in which IFAD would engage in policy dialogue. The 2002 COSOP underlined IFAD would engage in policy dialogue in rural finance and natural resources management especially related to access rights to water resources, the forestry act and the microfinance bill, as well as flow of funds mechanisms, project management, auditing arrangement, and the importance of M&E.

185. The 2007 COSOP states that the Fund will engage Government in policy dialogue in the implementation of the strategy for revitalizing of agriculture, by participation in the agriculture and rural development sector donors' group. Contributions were also specifically to be made to policies in the dairy and horticulture sub-sectors, including the Dairy Industry Bill, the Feed and Fertilizer Bill, the Feed Policy and the Horticulture Policy. Related regulatory institutions will be supported to ensure the effective operationalization of the legal framework that these agricultural laws and policies represent. IFAD also was to participate in policy dialogue with government and other donors to address key policy issues relative to ASALs in the areas of diversification of sources of income; improving natural resource management and utilization by reviewing existing land use policies and land tenure systems; improving pastoral productivity through conservation of the environment; improving markets to mobile pastoralists; and providing financial services to nomadic pastoralists. Finally, the 2007 COSOP results management framework also includes three specific policy objectives: (i) mainstream participatory approaches and pro-poor targeting; (ii) contribute to NASEP and ASALs policy; and (iii) support the implementation of the microfinance bill of 2006.

186. It is difficult for the CPE to discern any major contribution of IFAD to policy processes in the early years after the adoption of the 2002 COSOP. This is largely due to the lack of evidence and documentation of any significant inputs by IFAD. The COSOP did not have any indicators or specify policy dialogue activities that would be undertaken. In any case, the Forests Bill, approved by the President of Kenya in November 2005, which provides for the establishment, development and sustainable management of forests will ensure the conservation and rational utilization of forest resources for the socio–economic development of the country. The evaluation wonders what input IFAD could have provided, given that it has very little experience in Kenya in the forestry sector at the time, in spite of financing the Mount Kenya project that only became effective in July 2004. The Kenya microfinance bill came into effect in July 2007, with the aim of licensing, regulating and supervising microfinance institutions. IFAD organised a rural finance thematic workshop in Nairobi in July 2005, which one could consider eventually had some influence on the microfinance bill. In general, the CPE concludes that the policy dialogue objectives in the 2002 COSOP were ambitious with no specific resource allocation or work plan, especially considering that the Kenya CPM was at the time based at IFAD headquarters in Rome.

187. Following the adoption of the 2007 COSOP and establishment of country presence, there are some examples of IFAD's contribution to policy processes, in spite of the fact that the MTR of the 2007 COSOP provides a very brief account of IFAD's involvement in policy processes and there is no data against the indicators adopted in the strategy's results management framework. The CPE did however find that IFAD participates in the agriculture sector donor working group, provided grant funds for sensitising parliamentarians and dissemination of the recent national irrigation policy, and is currently involved in the formulation of the domestic horticulture policy under the responsibility of the MoA. IFAD however did not have a major role in the development of the country's agriculture sector development strategy, apart from providing feedback at a presentation made to donors by the Government on the draft document. In fact, the Government of Kenya itself – during discussions with IOE – underlined the important and greater role IFAD can play in policy processes especially related to small farm development and promotion of participatory processes and community empowerment approaches in Kenya. Finally, it is important to note that IFAD country office staff in Kenya underlined limitations in resources and capacity as well as staff expertise in diverse

sub-sectors as constraining them from a more comprehensive engagement in national policy processes.

188. In balancing, policy dialogue is rated as moderately unsatisfactory over a ten year period covered by the CPE, especially taking into account the ambitious objectives articulated in the 2002 and 2007 COSOPs.

B. Partnership Building

189. The aim of this section is to assess the partnership building efforts between IFAD and the Government, as well as with other in-country institutions working in the agriculture and rural sectors at the national and provincial and lower administrative levels.

190. IFAD's partnership with the Government has been positive with key Ministries at the national level, in particular with Agriculture, Finance, Planning, and Water and Irrigation. Dialogue and communication with government was challenging in the early part of the last decade, but this has improved significantly over the years. IFAD and Government have mutual respect for their partnership, and both parties are open to constructive feedback and discussions that can contribute to better rural poverty reduction results on the ground.

191. It has also established strong partnership with NGOs and community based organizations in the context of IFAD-supported projects. They have mostly been responsible for delivery of services to the rural poor, for example, the community financial services associations in the Southern Nyanza project or the Dairy Goat Association of Kenya in the Central Kenya project. Evidence collected during the CPE suggests that partnership especially with community based organizations has developed well. For example, CBOs have mobilized their own contributions to project activities, in cash or in kind, which has contributed to building ownership and enhanced prospects for sustainability.

192. In terms of partnerships with multilateral development organizations, since 2000, the only discernible partnership was in terms of co-financing projects with the BSF and GEF. The former has decided no longer to operate in Kenya for reasons related to its general country targeting policy and thus will no longer be available to partner with the Fund in Kenya. There are no tangible partnership with the AfDB, FAO and World Bank, which as may be seen from Chapter II, are making important contributions to agriculture and rural development in Africa. Given the recently undertaken joint evaluation by IFAD and AfDB on agriculture in Africa and the commitment by the management in the two organizations of working together in the future in the continent, the CPE believes there is a real opportunity for partnership especially with AfDB in Kenya moving forward. Finally, apart from the commitments in the 2002 COSOP and the limited partnership with BSF, IFAD has not established any noticeable partnership with bi-lateral aid agencies in the country. For example, the USAID is a major contributor to agriculture in Kenya especially in the rural micro finance sector, which also therefore offers opportunities that are worth exploring.

193. IFAD contributed to the development of the Kenya Joint Assistant Strategy in 2007 as a member of the United Nations System. However, thereafter, in spite of ensuring alignment with Government and donor interventions in agriculture, IFAD has not been able to participate in concrete operations within the framework of the joint assistance strategy given the latter's emphasis to use budget support as the preferred instrument for provision of development assistance.[83]

194. IFAD has also not distinguished itself in partnering with the private sector. This is partly due to the government-led approach taken to the two projects (Smallholder Dairy Commercialization and Smallholder Horticulture Marketing) that offered enhanced opportunities for engaging the private sector. However, Government's new agriculture sector development strategy makes a renewed commitment of

[83] IFAD's 2006 policy on sector wide approaches does not allow the Fund to provide budget support to recipient countries.

involving more broadly the private sector at different stages of the commodity value chain. The more recent partnership with Equity Bank on the Credit Guarantee Scheme in the context of the most recent project (the Financial Innovations Project) is going in the right direction of wider role for the private sector in support of rural poverty reduction efforts. The Equity bank is expanding into Uganda, South Sudan and Tanzania.

195. IFAD has an institutional level partnership with AGRA, which is headquartered in Kenya. AGRA makes investments aimed at commercialization of small to medium scale farmers. The Alliance's priorities include promoting seed and fertilizer industries as well as strengthening extension systems in Africa. AGRA has worked together with IFAD in Kenya, and also provided their own loan guarantee funds to Equity Bank. All in all, however, given the institutional level good will between IFAD and AGRA, there is scope for intensifying this partnership to the benefit of the Kenya country programme in the future.

196. In conclusion, the CPE assesses partnership building efforts as moderately satisfactory, underlining that there are opportunities that need to be explored and existing partnerships further developed in the coming years.

C. Knowledge Management

197. In this section, the CPE assesses efforts made to generate, store and share knowledge in a systematic manner with and across projects, government officials, donor organizations, private sector, and other major partners in agriculture in Kenya. It also assesses the extent to which previous experiences and lessons have been included in the development of COSOPs, the design and implementation of projects supported by IFAD and country programme management in general to achieve better results on rural poverty reduction.

198. Both the 2002 and 2007 Kenya COSOPs have sections on capturing the main lessons in a candid manner from IFAD's experience in the country, illustrating due efforts to learn from the past. Among other issues, the COSOPs highlight the need for improving service delivery at the local level, better M&E and impact assessment, and the need for more simple and focused project design.

199. IFAD has established a number of communities of practice in the Kenya country programme on specific themes (water development, rural finance, group development, financial management, etc.), which promote knowledge sharing across the country programme. The CPMT is another platform for sharing knowledge among partners and the IFAD web site includes a dedicated section with useful information on the Kenya country programme. Staff in the Central Kenya project have used human stories as an instrument for documenting and sharing experiences from the field. However, the diversity of IFAD's sub-sector engagement in Kenya does however pose a challenge in terms of extracting and documenting lessons and good practices, which generally focus mostly on positive features of the country programme and less on learning from failures.

200. ESA has for a few years now appointed a full time knowledge management officer based at headquarters, who is coordinating the work of the regional division on the topic including Kenya. ESA organised two regional knowledge management workshops in Kenya in recent years, as a platform to enhance knowledge sharing within Kenya and across countries in the region. A third one is planned again in Nairobi in May 2011. Project managers have found these events useful in learning from other IFAD-supported projects both within and outside Kenya. The country office has developed a dedicated website for IFAD operations in Kenya, which is good, but at the time of the CPE it was not updated and needs further elaboration (e.g., the names of the country team members are not there). The Rural Poverty Portal accessible through the Fund's corporate website includes useful information and links to data, documents and other websites on Kenya. Finally, ESA also has an internet site (IFADAfrica), which serves as a platform for sharing knowledge and information throughout the region.

201. In spite of the above, there are opportunities that have not yet been exploited. As also confirmed by the CPM in his self-assessment for the CPE (see annex VII), experiences and lessons from the numerous grants provided by IFAD covering Kenya have not been used systematically to inform project design and implementation or policy dialogue and partnership activities (see next section of the report). Some of the key multilateral organizations (e.g., FAO and AfDB) met by the CPE team were not too familiar with the work of IFAD in the country. The CPE team also did not find evidence of any coherent knowledge management work plan with dedicated resources to promote knowledge generation and sharing to support the Kenya country programme. Finally, in several projects, the M&E systems are not adequately resourced and staffed to serve as vehicles for capturing lessons and good practices.

202. In conclusion, in recent years, several useful initiatives and resources have been put in place by ESA to promote knowledge sharing across the region and within the Kenya country programme. The momentum needs to be maintained and areas of constraints addressed. As the efforts are going in the right direction and in spite of the shortcoming observed, the CPE assesses the efforts in knowledge management as generally satisfactory.

Table 10
Ratings for Non-Lending Activities

Type of Non-lending Activity	Rating
Policy dialogue	3
Partnership building	4
Knowledge management	5
Overall assessment	**4**

D. Grants

203. The IFAD grant programme envisages three types of grants in addition to its lending portfolio. These are global, regional and country-specific grants. The list of grants covering Kenya may be seen in annex IX and table 2. Depending on the nature of the global and regional grants, they could also include the Kenya country programme. The originator of such grants is normally IFAD's Policy and Technical Advisory Division, and they are prepared in consultation with the concerned regional division (e.g., ESA). These grants are usually provided for conferences, workshops, agriculture research, and other ad hoc studies. The originators of the country specific grants are the regional division themselves (in the case of Kenya, it would mean ESA). They are supposed to contribute in a more direct manner to achieving COSOP objectives.

204. In terms of country specific grants, IFAD has provided grants linked to specific projects (see table 2) and other grants. The former are intended for purposes such as technical assistance for training project management on M&E, supporting business plan development by poor farmers in the horticulture project, and stakeholders validation process in the dairy commercialization project. The other country-specific grants are for institution building (e.g., for Kenya national federation of agricultural producers), training (e.g., strengthening community-organised responses to HIV/AIDS), and other similar purposes. Some of the regional grants in ESA are for knowledge sharing, agriculture research, water management, promotion of market access and other similar purposes, and they normally cover several countries.

Table 11
Selected IFAD Technical Assistance Grants in Kenya

Grant No	*Title*	*Grant Type*	*Grant Amount US$*
888	Grant Support to the Kenya National Federation of Agricultural Producers (KENFAP)	Country	200,000
[a/]	Technical Assistance to the Kenya Women's Finance Trust; Grant provided by BSF.JP	Country	1'290,000
[a/]	Financial Support to DrumNet (Pride Africa)	Country	100,000
766/800	Technical Assistance to the Improved Management of Agricultural Water in East and Southern Africa (IMAWESA)	Regional	[b/] 100,000
			[c/] 1,500,000

[a/] Not listed in annex IX, [b/] Preparatory phase; [c/] Main phase.

205. Given that the list of global, regional and country specific grants in support of the Kenya country programme is long, the CPE chose to conduct an assessment of the four grants (see table 11). These grants were selected in consultation with the Kenya CPM. The aim was not to evaluate the performance and impact of these grants, but to identify systemic cross cutting lessons that can contribute to strengthening grant management and utilization within the Kenya country programme in the future.

206. They show the potential of carefully selected and monitored grants that are relevant for the country programme (see box 4), but also the futility of extending grants on the side-lines and without stringent management and monitoring. While this sample may not be representative, the impression prevails that a valuable tool has not been used with due diligence in several cases, an assessment that corresponds to the findings of numerous other CPEs as well.

Box 4
Case Studies on Grants: IMAWESA

Technical Assistance for the Improved Management of Agricultural Water in East and Southern Africa (IMAWESA). The basis for IFAD involvement in IMAWESA was the recognition that water resources in the ESA region are considerable and that, if managed more effectively, could make a substantial contribution to reducing rural poverty. Major opportunities to increase food security and household incomes are being missed in the ESA region owing to inadequate management of agricultural water, especially in rain-fed systems. IMAWESA has achieved impressive results, having effectively promoted improved policies for agricultural water management (AWM) in its participating countries, and successfully advocated to that effect. It has fostered an enhanced understanding of key issues on AWM and established conclusive evidence on the benefits of best-bet options for it. The IMAWESA TAG was relevant for Kenya and consistent with both COSOPs. The regional nature of the TAG makes it difficult to estimate its effectiveness, but the fact that it was implemented on time and in accordance with the budget is an indicator of efficiency.

207. Finally, in its interactions with numerous organizations in Kenya including Government officials, the CPE observed that: (i) the different grant recipient organizations were not aware of other grant recipients in the country and the nature of their work; (ii) similarly, government officials were often not aware especially of the existence of global and regional grants that covered Kenya; and (iii) the Government and grant recipients were not fully aware that grant findings were largely intended to support new project design and implementation of ongoing operations. These findings support the general conclusion that more can be done to use the grants strategically in support of the country programme in Kenya.

Key Points

- IFAD's policy dialogue in Kenya was well intentioned on paper, but lacked focus and the resolve to prioritise areas where foreseeable legislation could bring tangible impact. The fact that IFAD had to deal with a multitude of sub-sectors and institutional partners may have contributed to a lack of concentration on policy areas with competitive advantages for IFAD.
- Partnership with government, NGOs and civil society has been good on the whole, but limited with multilateral and bi-lateral organizations in the past decade, in spite of the fact that IFAD participated in the preparation of the KJAS. Partnership with the private sector has not been prominent, even though there are recent examples (e.g., with Equity Bank) that go in the right direction.
- On the whole and increasingly so over the past years, IFAD is active in promoting knowledge management in Kenya. There are opportunities for further work on documenting and sharing experiences from failures and grant-funded activities.
- The country specific grants have been on the whole useful, such as the one for technical assistance to the Kenya's Women Finance Trust. The synergies between global and regional grants with the Kenya country programme are not entirely clear. Grants can be better integrated in support of the overall country programme, and there is room for increasing awareness in-country about their objectives and potential.

VII. COSOP performance

208. The aim of this chapter is to assess the relevance and effectiveness of the evolving country strategy pursued in Kenya by IFAD and the Government since around 2000. The assessment will especially draw on the analysis contained in chapter IV on portfolio performance, chapter V on performance of partners, and chapter VI on the assessment of non-lending activities (knowledge management, policy dialogue and partnership building).

A. Relevance

209. In this section, the CPE examines the extent to which the main objectives in the two Kenya COSOPs of 2002 and 2007 – respectively – were in line with IFAD's corporate strategic objectives (as captured in the Fund's Strategic Frameworks and other relevant corporate policies and strategies), Government's main policies and strategies for agriculture and rural development, and the needs of the rural poor themselves. The CPE also assesses the coherence and logic of the country strategies (e.g., in terms of selection of sub-sector priorities in Kenya, etc.) to achieve the main objectives contained in the COSOPs. The strategic objectives and key elements of the two Kenya COSOPs have been previously described in a comprehensive manner in chapter III of this report.

210. The CPE raises six main points in assessing the relevance of the Kenya country strategy since 2000. These are:

(i) The overall objective of the 2002 COSOP ("rural poverty reduction and promotion of food security") and 2007 COSOP ("intensification, diversification, commercialization, and value addition in the production system") were in line with IFAD's corporate strategic frameworks of 2002-2006 and 2007-2010 and other corporate strategies (e.g., rural finance policy). The 2007 COSOP took the Kenya country strategy one step further by paying deeper attention to promoting access to markets and focusing on improvements in rural incomes as a means to ensuring better livelihoods, rather than merely addressing "food security" as emphasised in the 2002 COSOP. Likewise, one could also question the focus in the 2002 on social infrastructure (i.e., health, water and sanitation), which are essential ingredients for ensuring sustainable development, but not necessarily part of IFAD's core mandate and comparative advantage. Last but not least, the Kenya country strategy was consistent with Government's main policies on agriculture, especially in improving water management and productivity in agriculture, as well as promoting access to rural finance to stimulate pro-poor growth in rural areas.

(ii) The Kenya country strategy has mostly focused in the south-west part of the country, in medium to high potential areas. This was consistent with the request of the Government to concentrate investments in this geographic part of the country where around 70 per cent of Kenya's population reside. However, increasingly, the Government has recognised that it is essential not to continue neglecting the ASALs, which cover nearly 70 per cent of the country's land area and where 30 per cent of the rural poor live. The latter derive their livelihoods mostly from livestock development, which in turn contributes 17 per cent of Kenya's agricultural GDP and 7 per cent of exports. It also contributes 7 per cent of the country's overall GDP. Therefore, the livestock sub-sector has huge potential for growth that has not been exploited, especially for ensuring food security and economic advancement in ASAL areas where it accounts for approximately 90 per cent of employment and 95 per cent of household income. The 2007 COSOP makes a somewhat timid reference to the need to pay attention to the ASALs, mainly through provision of grant assistance, which would not be significant given the relatively limited size of IFAD's grant window as compared to loans.

(iii) IFAD interventions in Kenya over the past decade have covered numerous sub-sectors and promoted specific approaches to agriculture and rural development including: agriculture technology (research and extension) to improve productivity; commodity value chains and access to markets; rural finance; income generation; rural infrastructure; health, domestic water supply, and sanitation; natural resources and environmental management especially water resources management, horticulture development; livestock and dairy development; community development including gender equality and women's empowerment; institution and capacity building; development of business skills; addressing HIV/AIDS; private sector engagement, and others. The CPE believes that IFAD has spread itself somewhat thinly across numerous sub-sectors, among other issues, which has required multiple partnerships at national and local levels and added challenges in institutional coordination, delivery of services, project management, policy dialogue, supervision and reporting, as well as M&E.

A worker repairs an irrigation chamber
Source: Giacomo Pirozzi (IFAD)

(iv) Kenya's agriculture is predominantly rainfed. Of the total land areas under agriculture, irrigation accounts for only 1.7 per cent but contributes to 3 per cent of the GDP and provides 18 per cent of the value of all agriculture produce, demonstrating its potential in increasing production and productivity. Kenya has an estimated irrigation potential of 1.3 million ha, yet currently merely 114 600 ha of irrigation have been developed. Of the available irrigation potential, 540 000 ha can be developed with the available water

resources, while the rest of the area will require water harvesting and storage. Less than 20 per cent of Kenya's land mass has medium to high agricultural potential and supports about 70 per cent of the population. The remaining 80 per cent lies in the ASALs, where sustainable rainfed crop production is limited by water deficits—an indication that the country's potential for rainfed agriculture is low, which alone cannot meet the challenge of achieving food security. There is pressure on land with agricultural potential and population migration to the ASALs is likely to increase. In sum, and in spite of some good achievements in water resources management, the COSOPs could have paid added attention to small scale irrigation development in Kenya.

(v) The CPE also assessed the mix of instruments (loan-funded investment projects, grants, and non-lending activities (policy dialogue, partnership building and knowledge management)) deployed by IFAD in Kenya to achieve COSOP objectives. The CPE found that, on the whole, IFAD has provided specific loans and grants as well as undertaken policy dialogue, knowledge management and partnership building, which have generally contributed to supporting the achievement of COSOP objectives. At the same time, the CPE notes that the synergies across the loan-funded project portfolio, among grants, between loans and grants, and between loans, grants and non-lending activities could have been greater. Attention to providing more substantive inputs into national policy processes and partnership building - especially with other multilateral and bilateral organizations - are areas that could be further developed in the future.

(vi) IFAD has over time put in place a good organizational structure for managing the Kenya country programme. Some key features include the establishment of a Kenya country office with an out posted CPM and Associate CPM, the setting up of a CPMT with numerous in country partners, the undertaking since around 2007 of direct supervision and implementation support in all IFAD-supported operations, the establishment of an IFAD regional office in Nairobi that can also support the Kenya country programme, and last but not least, the development in 2007 of its first results-based COSOP for Kenya including provisions for a MTR of the strategy which was undertaken in 2010. The 2007 COSOP included a results management framework, organised according to the three main strategic objectives, with "outcome" and "milestone indicators. The indicators did not however specify baseline values, and several of the "outcome" indicators were actually at the "output" level in the hierarchy of the logical framework (e.g., number of active savers, number of active borrowers, etc.). Moreover, some of the "policy/institutional objectives" in the results management framework were activities, rather than objectives (e.g., contribute to national agricultural sector extension policy and ASALs policy).

211. Based on the above findings and other considerations captured in previous chapters of the report, the CPE assesses the relevance of the country strategy as moderately satisfactory.

B. Effectiveness

212. The assessment of effectiveness should include reviewing the extent to which the strategic objectives of the country strategy (as captured in the 2002 and 2007 COSOPs) have been achieved or are expected to be achieved. In spite of the inherent weaknesses in M&E systems both at the project and country levels, the CPE is able to come up with the following findings for effectiveness in relation to each of the main strategic objectives.

213. Firstly, IFAD-supported activities have made useful efforts in "maintaining and regenerating renewable natural resources". The Mount Kenya is one of the few projects in the portfolio that has contributed, *inter-alia,* to better river water management, reforestation through tree planting, and protection of indigenous flora

and fauna. The project is considered a success story and key components of the project are being scaled up by IFAD and the Government. Based on its experience on the ground, however, IFAD could have seized the opportunity to open a dialogue with the Government for the development of a national environment policy. This is critical given that Kenya is faced with diverse and complex environmental challenges and has been struggling to resolve these, mainly because it has been operating without a national environmental policy. As the country strives to accelerate the pace of development, environmental concerns have become more evident. This will however also require dedicated efforts in knowledge management on natural resources and environmental management.

214. Secondly, adequate efforts have been made to improve livelihoods through the provision of "economic and social development activities". The Dairy Commercialization and Horticulture Marketing as well as the SNCDPs have responded to this strategic objective. There are however limitations that can be noted, such as excessive reliance on Government systems, rather than the private sector in the Dairy Commercialization and Horticulture Marketing projects. And, adoption rates of improved technology for promoting agriculture productivity and livestock development in Southern Nyanza were constrained by high levels of poverty and low literacy rates.

215. Thirdly, "improving access to rural financial services" has been considered as a key objective, given the importance of capital for sustainable agriculture and rural development in Kenya. As mentioned in chapter III, 18 per cent of all IFAD loan funds since 2000 have been devoted to activities related to rural finance. However, most of this allocation is contained in the latest recent nation-wide project, which only became effective in December 2010. Therefore, in spite of recognising as far back as in the 2002 COSOP that the "absence of local and readily accessible rural financial services….[was] a major constraint to agricultural production and other income-generating activities", the IFAD-funded portfolio has not devoted the required attention to alleviating one of the fundamental constraints to rural poverty reduction in Kenya.

216. Higher effectiveness of the country strategy is constrained by limitations – as mentioned in the previous section on the "relevance of the COSOP" – in terms of insufficient leveraging of the various instruments at the disposal of IFAD that can be used more strategically and in a more mutually reinforcing manner. However, on the positive side, the new arrangements for country programme management (also covered earlier in this chapter) offer enhanced opportunities for achieving better results in general in the future.

217. All in all, the CPE considers the effectiveness of the country strategy as moderately satisfactory as well.

Key Points

- The strategic objectives captured in the 2002 and 2007 COSOPs were broadly relevant.
- The CPE raises attention to the restricted geographic focus pursued in the last decade of mainly working in medium to high potential areas, and invites a serious reflection on the pros and cons of working in the ASALs in the future – especially given that 50 per cent of the rural poor live there deriving their livelihoods from livestock development which contributes 7 per cent to Kenya's GDP- and given that there is a large economic and development potential.
- The country programme in the last ten years or so has included activities in numerous sub-sectors (e.g., rural finance, natural resources management, environment, value chains and access to markets, rural infrastructure, health, sanitation and domestic water supply, water resources management, dairy development, horticulture development, livestock development, agriculture technology, etc.). The CPE believes IFAD has spread itself thinly across many components and activities, constraining effectiveness and limiting the development of specialization.
- In spite of some good results in water resources management, IFAD could have done more to contribute to exploiting the country's vast irrigation potential especially in the ASALs. Currently, approximately only 9 per cent of Kenya's irrigation potential has been developed.
- Rural finance is an area that has been recognized as a weakness but has not historically received sufficient resources in the last decade, apart from the dedicated recent nation-wide project that only however became effective in December 2010.
- The relevance and effectiveness of the country programme is limited by insufficient leveraging in a mutually reinforcing manner of the various instruments available at IFAD's disposal to achieve COSOP objectives. The new arrangements put in place for country programme management are encouraging and should contribute to getting better results in the future.

VIII. Overall IFAD/Government of Kenya Partnership

218. Table 12 below contains the overall assessment of the CPE of the IFAD/Government of Kenya partnership, based on the ratings of portfolio performance, non-lending activities and COSOP performance.

Table 12
The CPE's Overall Assessment

Assessment	Rating
Portfolio performance	4
Non-lending activities	4
COSOP performance	4
Overall IFAD/Government of Kenya partnership	**4**

Women drying and separating beans on an experimental farm in Western Kenya.
Source: Radhika Chalasani (IFAD)

IX. Conclusions and recommendations

A. Conclusions

219. **Overview.** The results of IFAD-Government of Kenya partnership in the last decade have been generally encouraging, especially recognising 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.

220. 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 bi-lateral and multi-lateral 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 ASALs, where around 30 per cent of all rural poor people live in Kenya.

221. Being an organization focused exclusively on rural poverty reduction through sustainable agriculture and rural development, however, IFAD is favourably positioned to support the development of the agriculture sector in Kenya. It can leverage its comparative advantage, specialization and track record in Kenya and in other countries in East and Southern Africa to further growth and promote inclusive development by supporting small farmers development based on its proven community development, bottom-up and participatory approaches and experiences. Given that other donors are providing relatively limited resources to agriculture in Kenya, IFAD can take a leadership role in supporting Government in its own efforts in implementing the agriculture sector development strategy 2010-2020 and achieving the MDGs.

222. **Context.** Kenya's population is around 38 million people, out of which close to 80 per cent live in rural areas. The country's economy is quite well-diversified, with the largest contributors to GDP being agriculture, followed by transport, communications, and manufacturing. Kenya witnessed a spectacular economic recovery in the last decade. However, social inequalities also increased. The economic benefits went disproportionately to relatively well-off people and corruption remains a concern. Moreover, the recent instability following the 2007

elections took a toll on the Kenyan economy, which suffered a reduction in commodity exports and a sharp drop in tourism. The country's frequent droughts have also contributed to food insecurity.

223. A power-sharing agreement brokered in 2008 has helped resolve some of the main concerns—notably through reforms to Kenya's legal and political institutions. With Kenya's strong civil society and independent media, the country has great potential for progress. However, Kenya ranks 128 out of 169 countries on the UNDP's 2010 Human Development Index, and still one out of five Kenyans lives on less than US$1.25/day.

224. **The importance of agriculture (see paragraphs 27-50).**[84] Agriculture is the mainstay of Kenya's economy, contributing 26 per cent of the GDP directly and another 25 per cent indirectly. Growth in the national economy is highly correlated to growth and development in agriculture. About 80 per cent of all farmers are smallholders living on subsistence farming, which is constrained by poor access to land and water, inadequate service delivery and marketing opportunities, as well as relatively low levels of government expenditure. Agricultural productivity has improved on small farms in the last 5 years, with average yield of maize increasing from 1.5 to 3 tonnes per hectare.

225. Poverty is highest in the ASALs, which is home to close to 30 per cent of the country's population and covers 80 per cent of the country's land. Around 11 million people live in the ASALs, out of which nearly 7 million live on less than one dollar per day, representing around 50 per of all rural poor people in the country. The number of rural poor in ASALs would be even greater if measured by those earning less than one and a quarter dollars per day. Many years of underdevelopment and poor policies in the arid and semi-arid regions mean that pressure is increasing on nomadic pastoralists, forming majority of people who live there. They mostly derive their livelihoods from livestock production, which currently accounts for 17 per cent of agricultural GDP and 7 per cent of national GDP. There is enormous economic and development potential in the ASALs, which has not be exploited in the past, especially in terms of value addition to livestock products, irrigated crop farming, fishing, eco-tourism, development of cottage industry, mining, and biodiversity.

226. **The main messages from the Kenya CPE (see paragraph 210).** Government and IFAD share a common vision of using agriculture as a vehicle for improving rural livelihoods and incomes. The agriculture sector development strategy 2010-2020 as well as the Kenya Vision 2030 provide an opportunity for further strengthening the partnership, given the close alignment between Government's own objectives in boosting agriculture and IFAD's mandate and priorities. IFAD's financial commitments to Kenya were around 4 per cent on average per year of government's total budget allocation to agriculture between 2000 and 2009. Defining a future course of action will however require building robustly on past experiences and lessons, both positive and negative, and in determining the nature and selectivity of activities to focus on moving forward.

227. In looking at past co-operation, a comprehensive project portfolio has been rebuilt in the 2000s, following a period of lull in the 1990s, due mainly to concerns with fiduciary aspects including non-submission of audit reports. IFAD-supported operations have focused in a large variety of sub-sectors, such as natural resources management and environment, water resources management, rural finance, rural infrastructure, social development (health, water and sanitation), agriculture technology (research and extension), women's empowerment, grass-roots institution building, and more recently, commodity value chains including promoting agri-business and access to input and output markets and services.

228. After more than ten years of experiences and intensive collaboration between IFAD and the Government, this independent CPE provides an opportunity for collective reflection on the priorities that might shape the future country programme. In this

[84] The reference to paragraphs/chapters directs the reader to the analysis and findings in the main report which have informed the conclusions.

regard, there are two main messages that emerge from the evaluation's analysis that merit being highlighted and debated. These include the: (i) geographic coverage; and (ii) sub-sector focus of IFAD-supported activities in Kenya.

229. On geographic coverage, the bulk of IFAD's assistance in Kenya since 2000 has been focused on high- and medium- potential areas for increased production and productivity, especially in the south-west of the country. However, in analysing the poverty dynamics in Kenya and taking into account the comparative advantage and specialization of IFAD, as well as the relatively limited efforts and resources devoted by other donors, the CPE questions whether in the future it would not be worthwhile for IFAD to think about investing greater attention in supporting the government in the development of the ASALs. Notwithstanding the risks involved of working in the ASALs, this would be consistent with Government's priorities as reflected in their agriculture sector development strategy 2010-2020. The latter and other key national policies (e.g., the Kenya Vision 2030) clearly recognise the enormous economic potential of developing the ASALs, as mentioned above. These policies and strategies also underline that long-term development in these areas would not only improve people's lives but also contribute to Kenya's economy and reduce the high costs associated with emergency drought assistance. Continuing to ignore the specific needs of ASALs will result in increased rural poverty and environmental degradation.

230. The second issue relates to IFAD's sub-sector involvement and how past experience can help defining the areas of priority for the future. As discussed above, IFAD-supported projects have covered a wide variety of sub-sectors, which has led to fragmentation in its assistance, especially in light of the relatively limited resources provided by IFAD to the Government of Kenya. This has also prevented the development of a critical mass of activities and corresponding experience in selected sub-sectors. Such a wide-ranging sub-sector approach has required partnership among several institutions at different administrative levels, including co-ordination of activities by diverse line ministries and authorities on the ground. The spread of sub-sectors also has had implications for supervision and implementation support activities, as IFAD needed to mobilise the required expertise to adequately cover a range of sub-sectors. It made monitoring more challenging, as a greater number of indicators need to be tracked, analysed and reported upon.

231. Given the diversity of sub-sectors covered, IFAD has also had to mobilise co-financing for projects in Kenya from diverse partners according to their own priorities and interests (e.g., AGRA, BSF, GEF, OFID and UNDP). This has led to increased efforts by the CPMs in managing such partnerships and by project staff during implementation. Therefore, the second question raised by the evaluation is whether, after ten years of solid experience of working in multiple sub-sectors, time has come to focus more narrowly in fewer areas and to partner with Government and other development organizations to provide the inputs in sub-sectors that IFAD does not prioritise in the future. This would be a way to achieve even better results in the future, in an even more efficient and sustainable manner.

232. On a related point and apart from some good efforts (especially in the Mount Kenya project), IFAD could have done more to support the Government in promoting small scale irrigation. Currently, merely 9 per cent of the country's total irrigation potential has been developed including in the ASALs, where rivers, lakes and ground water offer significant opportunities for developing irrigated agriculture. In spite of some productivity increases on small farms in the recent past, sustainable water management remains a significant constraint for further enhancing productivity in the agriculture sector. This is therefore an area that requires consideration moving forward.

233. **Portfolio performance (see chapter IV).** The overall IFAD-funded project portfolio performance in Kenya is considered as moderately satisfactory. Performance is particularly good in terms of relevance and rural poverty impact, followed by effectiveness, sustainability, and innovation and scaling up. Efficiency of

IFAD-supported operations is however the weakest performing evaluation criteria, also due to the diversity of components and sub-components funded by IFAD in the country.

234. 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.

235. 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 pursued currently on an ad-hoc basis.

236. Recent IFAD-supported projects (i.e., on dairy and horticulture development, respectively) have adopted value chain approaches including promotion of commercialization and access to markets. However, the evaluation found limited involvement of private sector entities at different stages of the value chain, that project staff had insufficient familiarity with value chain approaches (e.g., of horticulture trade patterns in Kenya), opportunities for collaboration with other development organizations (e.g., USAID) working on the same value chains (horticulture and dairy) in the same project areas were not sufficiently explored, and the approach were more supply driven rather than based primarily on the priorities and expectations of targeted communities and individuals.

237. **Performance of lending agency and borrower (see paragraphs 156-180).** 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 ongoing and new operations, set up a proactive CPMT 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 (see below).

238. 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 counter-part 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 more timely manner.

239. **Non-lending activities (see paragraphs 183-202).** In terms of partnerships, the evaluation found that IFAD has established a robust partnership with the Government of Kenya, which values IFAD as a key multilateral development organization. Partnership with NGOs and CBOs in the context of IFAD operations has also been good, including the recent partnership with AGRA. Even though IFAD was a signatory of the KJAS, no discernable partnership was observed with two other major multilateral development Banks (AfDB and World Bank) in the country. There have been some co-financing partnerships with the UN system, but much more can be done with them and also those bi-lateral aid agencies (e.g., USAID) who are active in agriculture. Private sector engagement in IFAD operations was limited in the past, even though recently there is now an interesting partnership with Equity Bank in the provision of rural finance.

240. The policy dialogue activities have been mostly linked to the experiences emerging from IFAD-supported projects, especially in the dairy and horticulture sub-sectors. At the national level, IFAD has contributed recently to the roll-out of the national irrigation policy by providing grant funding for sensitising parliamentarians and others on the main provisions of the policy. There are opportunities for IFAD to contribute more widely to national policy processes through the donor working group on agriculture. However, the Fund has been constrained by the limited amount of resources allocated for policy dialogue, staff expertise and because achievements in policy dialogue are not normally used as a measure of success in individual performance evaluations of IFAD staff, and the indicators for policy dialogue achievements in the COSOP results management framework have not been sufficiently developed. IFAD has an opportunity to take a greater role in bringing to the table its rich project experience that might have policy implications for small farm agriculture in Kenya. This would also be compatible with the expectations of, and appreciated by, Government and other partners.

241. IFAD has established a number of communities of practice mostly with the participation of project staff including members of the Kenya CPMT on specific themes (water development, rural finance, group development, financial management, etc.), which promote knowledge sharing across the country programme. The CPMT is another platform for sharing knowledge among partners, and the IFAD web site includes a dedicated section with useful information on the Kenya country programme. The diversity of IFAD's sub-sector engagement in Kenya does however pose a challenge in terms of extracting and documenting lessons and good practices, which generally focus mostly on positive features of the country programme and less on learning from failures.

242. **Grants (see paragraphs 203-207).** 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, promoting 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.

243. **IFAD's physical presence in Kenya (see paragraphs 160-172).** 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 (see next paragraph) have yet to be fully articulated.

244. 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 IFAD's ESA 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

245. The findings and conclusions of the CPE form the basis for the following six recommendations to serve as building blocks for the preparation of the next Kenya COSOP.

246. **Future geographic and sub-sector priorities (see paragraphs 228-232).**[85] 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 ASALs, 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 ASALs to promote national economic development. The COSOP should specifically analyse, among other issues, the poverty profile of the rural poor in ASALs, 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 ASALs can also contribute to enhancing efficiency of IFAD-funded projects, in light of the poverty incidence in those areas.

247. 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.

248. **Development approach (see paragraphs 235-236).** 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

[85] The reference to paragraphs leads the reader to corresponding sections in the conclusions of the CPE, which form the basis of each recommendation.

promoting grass-roots institution development (e.g., dairy cooperatives) would provide them greater access to markets and better prices.

249. **Innovation and scaling up (see paragraph 235).** 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 semi-arid areas to ensure sustainable use of ground water, and the engagement of 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.

250. **A more integrated country strategy (see paragraphs 239-242).** 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 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.

251. 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.

252. **Better government performance (see paragraph 238).** 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, 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 counter-part 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 their financial and procurement systems to ensure more timely flow of funds and due diligence in use of resources.

253. **IFAD's physical presence in Kenya (see paragraphs 243-244).** 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.

254. 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.

Evaluation Framework: Kenya Country Programme Evaluation

	Key Questions	*Main Sources of Data and Information*
Portfolio Performance	**<u>Project Relevance</u>** • Are project objectives realistic and consistent with Kenya's national agriculture and rural development strategies and policies, the COSOP and relevant IFAD sector and sub sector policies, as well as the needs of the rural poor? • Was the project design (including synergies among activities and services, financial allocations, project management and execution, supervision and implementation support, and M&E arrangements) appropriate for achieving the project's core objectives? • How coherent was the project in terms of its fit with the policies, programmes and projects undertaken by the Government and other development partners in Kenya? • Was the project design participatory in the sense that it took into consideration the inputs and needs of key stakeholders, including the Government, executing agencies, cofinanciers and the expected beneficiaries and their grass-roots organizations? • Did the project benefit from available knowledge (for example, the experience of other similar projects in the area or in the country) during its design and implementation? • Did project objectives remain relevant over the period of time required for implementation? In the event of significant changes in the project context or in IFAD policies, has design been retrofitted? • What are the main factors that contributed to a positive or less positive assessment of relevance?	Government of Kenya Plans; IFAD policy statements and Kenya COSOPS. Interviews with IFAD managers, Government of Kenya and project officials.
	<u>Project Effectiveness</u> • To what extent have the objectives of the project and its components been attained both in quantitative and in qualitative terms? • If the project is not yet complete, is it likely that so far unattained objectives may be accomplished in full/in part before its closure? • What factors in project design and implementation account for the estimated results in terms of effectiveness? • In particular, what changes in the overall context (e.g. policy framework, political situation, institutional set-up, economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?	Evaluations of completed projects, Project Completion Reports (PCRs), Mid-term reviews and supervision reports. Surveys of project beneficiaries.
	<u>Project Efficiency</u> • What are the costs of investments to develop specific project outputs (e.g., what is the cost of constructing one kilometre of rural road)? The quality of works/supplies needs to be fully (and explicitly) recognized for such input/output comparisons • Is the cost ratio of inputs to outputs comparable to local, national or regional benchmarks? • What are the loan costs per beneficiary (both at the time of appraisal and at the time of evaluation) and how do they compare to other IFAD-funded operations (or those of other donors) in the same country and/or other countries?	Evaluations of completed projects, PCRs, Mid-term reviews and supervision reports. Surveys of project beneficiaries. Interviews with project managers.

	Key Questions	*Main Sources of Data and Information*
Portfolio Performance	• How does the economic rate of return at evaluation compare with project design? • What are the administrative costs per beneficiary and how do they compare to other IFAD-funded operations (or those of other donors) in Kenya of other countries, especially in South Asian Countries? • A number of IFAD projects have had substantial delays in effectiveness. What has been the cause of these delays and how costly have these delays been? • By how much was the original closing date extended, and what were the additional administrative costs that were incurred during the extension period? • What factors helped account for project efficiency performance?	
	<u>Rural Poverty Impact</u> **I. Household income and assets** • Did the composition and level of household incomes change (more income sources, more diversification, higher income)? • What changes are apparent in intra-household incomes and assets? • Did farm households' physical assets change (farmland, water, livestock, trees, equipment, etc.)? Did other household assets change (houses/pucca houses, bicycles, radios, television sets, telephones, etc.)? • Did households' financial assets change (savings, debt, borrowing, insurance)? • Were the rural poor able to access financial markets more easily? • Did the rural poor have better access to input and output markets? • Do the better health and education promoted by the programme allow the rural poor to obtain higher incomes and more assets?	Evaluations of completed projects, PCRs, Mid-term reviews and supervision reports. Surveys of project beneficiaries. Interviews with beneficiaries and project managers.
	II. Human and social capital and empowerment • Did rural people's organizations and grass-roots institutions (such as SHGs, water user groups) change? • Were the SHGs established under the project effective in empowering women in the community and promoting gender equity? • Are changes in the social cohesion and local self-help capacities of rural communities visible? • To what extent did the project empower the rural poor vis-à-vis development actors and local and national public authorities? Do they play more effective roles in decision-making? Did the devolution process facilitated by the project? • Were the rural poor empowered to gain better access to the information needed for their livelihoods? • Did the rural poor gain access to better health and education facilities? • Two important social areas - youth and migration – have not figured prominently in IFAD's programme in Kenya. Should there have been a greater effort to integrate these issues into the programme?	
	III. Food security and agricultural productivity • Did cropping intensity change? Was there an improvement in land productivity and, if so, to what extent? Did the returns to labour change? How many tribal households have transferred from subsistent shifting cultivation to economic agricultural activities? Did children's nutritional status change (e.g. stunting, wasting, underweight)?	

	Key Questions	*Main Sources of Data and Information*
Portfolio Performance	• Did household food security change? • To what extent did the rural poor improve their access to input and output markets that could help them enhance their productivity and access to food?	
	IV. Natural resources, environment and climate change • Did the status of the natural resources base change (land, water, forest, pasture, fish stocks, etc.)? In tribal development, how many shifting cultivation land were treated with sound conservation measures? • Did local communities' access to natural resources change (in general and specifically for the poor)? • Has the degree of environmental vulnerability changed (e g , exposure to pollutants, climate change effects, volatility in resources, potential natural disasters)? • Have the projects facilitated the implementation of policies and legislation such as those relating to the access of the poor to natural resources, adaptation to climate change, and the protection of biodiversity? • Discuss whether the approaches presented in the IFAD climate change strategy were adequately reflected in the COSOP and/or project being evaluated? • Evaluate whether climate change issues were treated as an integral dimension in the risk analysis that informed project/COSOP design? • Did the project contain specific adaptation and mitigation activities and what was their effect on the livelihoods of the rural poor? • Adaptation is defined by the Intergovernmental Panel on Climate Change (IPCC) as: "Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial • Did the adaptation and mitigation activities ensure the sustainability of rural livelihoods within changing climate conditions? If yes, what were the results achieved? Did the budget include all costs associated with these activities? • Did the project help the rural poor to restore the natural resources and environment base that (may) have been affected by climate change? • Were adequate funds allocated to measures aiming at mitigate the climate-change related risks identified in the risk analysis? • Did the project contain activities and resources to capture and disseminate across the organization and externally experiences, lessons and innovations on climate change? • Provide an analysis of any disaster preparedness measures, for example, in terms of agro meteorological warning systems, drought contingency plans, response to flooding, weather-indexed risk insurance, etc.?	Visits to sites of completed projects and interviews with beneficiaries and project managers. In selected cases consideration will be given to commissioning new surveys.
	V. Institutions and policies • Were there any changes in rural financial institutions (e.g., in facilitating access for the rural poor)? • How did public institutions and service delivery for the rural poor change? • What improvements were discernable in local governance, including the capacity and role of government departments, NGOs, the private sector, and elected bodies and officials? • Were there any changes in national/sectoral policies affecting the rural poor?	

	Key Questions	*Main Sources of Data and Information*
Portfolio Performance	• Did the regulatory framework change insofar as its impact on the rural poor? • Did market structures and other institutional factors affecting poor producers' access to markets change? *Note: For each domain, the evaluation should describe the impact achieved and also the underlying reasons (i.e. the "why" factor) behind the observed or expected changes.*	
	<u>Project Sustainability</u> • Was a specific *exit strategy* or approach prepared and agreed upon by key partners to ensure post project sustainability? • What are the chances that benefits generated by the project will continue after project closure, and what factors militate in favour of or against maintaining benefits? What is the likely resilience of economic activities to shocks or progressive exposure to competition and reduction of subsidies? • How robust are the institutions that have been established under IFAD projects, and are they likely to be able to ensure the continuation of benefits to the rural poor? • Is there a clear indication of Government commitment after the loan closing date, for example, in terms of provision of funds for selected activities, human resources availability, continuity of pro-poor policies and participatory development approaches, and institutional support? Did the IFAD project design anticipate that such support would be needed after loan closure? • Do project activities benefit from the engagement, participation and ownership of local communities, grass-roots organizations, and the rural poor? • Did the NGOs involved continue their support to village organizations after project closure? • Are adopted approaches technically viable? Do project users have access to adequate training for maintenance and to spare parts and repairs? • Are the ecosystem and environmental resources (e.g. fresh water availability, soil fertility, and vegetative cover) likely to contribute to project benefits or is there a depletion process taking place? • IFAD is one of the few agencies that have operated in conflict situations in Kenya. Are there lessons from IFAD's involvement in such situations?	Interviews with Government of Kenya and state and local governments. In depth reviews of project documents. Discussions with IFAD managers.
	<u>Innovations, Replication and Scaling up</u> • What are the characteristics of innovation(s) promoted by the project or programme? Are the innovations consistent with the IFAD definition of this concept? • How did the innovation originate (e g , through the beneficiaries, Government of Kenya, IFAD, NGOs, research institution, etc) and was it adapted in any particular way during project/programme design? • Are the actions in question truly innovative or are they well-established elsewhere but new to the country or project area? • Were successfully promoted innovations documented and shared? Were other specific activities (e.g., workshops, exchange visits, etc.) undertaken to disseminate the innovative experiences? • Have these innovations been replicated and scaled up and, if so, by whom? If not, what are the realistic prospects that they can and will be replicated and scaled up by the Government, other donors and/or the private sector? • Did COSOP and project design have an explicit strategy and define pathways for scaling up, and was an ultimate scale target included?	

	Key Questions	*Main Sources of Data and Information*
	• Did the project design build on prior successful experiences and lessons with scaling up? • Did the project design documents – or related background documentation including, but not limited to, RB-COSOP and/or other sources - address what are the potential drivers and constraints that will affect the scale-up potential of the project? • Did project implementation – under this or any other complementary intervention supported by IFAD in the same country - support the development of relevant drivers (e.g., in terms of resources allocation for knowledge management) that are essential for scaling up? • Were proactive efforts made to identify and develop strategic partnerships with organizations which could potentially be involved in scaling up of successfully piloted innovations? • Did the projects M&E system – under this or any other complementary intervention supported by IFAD - help capture successful innovative activities that have potential for scaling up? • Were efforts related to scaling up assessed and reported upon in the MTR and periodic supervision processes?	Interviews with partner agencies, NGOs and IFAD managers.
	<u>Gender</u> • What is the relevance of design in terms of gender equality and women's empowerment? This will include assessing the results-framework of COSOPs and projects to assess whether IFAD's corporate objectives on gender are adequately integrated therein. • How effective have projects being in promoting gender equality and women's empowerment? • Were gender dimensions adequately included in the project's annual work plans and budgets? • What percentage of total project resources was invested for gender equality and women's empowerment activities? • What was the impact of the project in terms of promoting gender equality and women's empowerment? Among other issues, this would include assessing whether: there are changes to household members including women's workload, women's health, skills, income and nutritional levels; women have greater influence in decision-making; women have been empowered to gain better access to resources and assets; there are changes in gender relations within the households and communities in the project area, etc. • To what extent is the gender-related impact likely to be sustainable after the completion of the IFAD-funded project period? • To what extent did the project: (i) Monitor gender-disaggregated outputs to ensure gender equality and women's empowerment objectives were being met; (ii) Adapt project implementation as required to better meet gender equality and women's empowerment objectives; (iii) supervision and implementation support address and report on gender issues; (iv) Engage in policy dialogue to promote changes to government and other partner systems and processes that would improve gender equality and women's empowerment; and (iv) systematically analyse, document and disseminate lessons on gender equality and women's empowerment? • What were the strengths and weaknesses of the contributions of IFAD and the Government, respectively, in promoting gender equality and women's empowerment?	

	Key Questions	*Main Sources of Data and Information*
Performance of Partners	**IFAD** • Did IFAD mobilize adequate technical expertise in the project design? • Was the design process participatory (with national and local agencies, grass-roots organizations) and did it promote ownership by the borrower? • Were specific efforts made to incorporate the lessons and recommendations from previous independent evaluations in project design and implementation? • Did IFAD adequately integrate comments made by its quality enhancement and quality assurance processes? • Did IFAD (and the Government) take the initiative to suitably modify project design (if required) during implementation in response to any major changes in the context, especially during the MTR? • What was the performance of IFAD in projects that are under direct supervision and implementation support? In the case of the supervision of a cooperating institution, how effective was IFAD in working with the institution to carry out the mandated task? In both cases, has IFAD exercised its developmental and fiduciary responsibilities, including compliance with loan and grant agreements? •Was prompt action taken to ensure the timely implementation of recommendations stemming from the supervision and implementation support missions, including the MTR? • Did IFAD undertake the necessary follow-up to resolve any implementation bottlenecks? • Where applicable, what is the role and performance of IFAD's country presence team in Kenya (including proxy country presence arrangements)? Did IFAD headquarters provide the necessary support to its country presence team, for example, in terms of resources, follow-up and guidance, adequate delegation of authority, and so on? • Has IFAD made proactive efforts to be engaged in policy dialogue activities at different levels in order to ensure, inter alia, the replication and scaling up of pro-poor innovations? • Has IFAD been active in creating an effective partnership and maintaining coordination among key partners to ensure the achievement of project objectives, including the replication and scaling up of pro-poor innovations? • Has IFAD, together with the Government, contributed to planning an exit strategy?	
	Government of Kenya • Has the Government assumed ownership and responsibility for the project? Judging by its actions and policies, has the Government, including national, state and local governments, been fully supportive of project goals? • Has adequate staffing and project management been assured? Have appropriate levels of counterpart funding been provided on time? • Has project management discharged its functions adequately, and has the Government provided policy guidance to project management staff when required? • Did the Government ensure suitable coordination of the various departments involved in execution? • Has auditing been undertaken in a timely manner and have reports been submitted as required? • Did the Government (and IFAD) take the initiative to suitably modify the project design (if required) during implementation in response to any major changes in the context?	Interviews with Government of Kenya officials and IFAD managers.

	Key Questions	*Main Sources of Data and Information*
	• Was prompt action taken to ensure the timely implementation of recommendations from supervision and implementation support missions, including the MTR? • Has an effective M&E system been put in place and does it generate information on performance and impact which is useful for project managers when they are called upon to take critical decisions? • Has the Government (and IFAD) contributed to planning an exit strategy and/or making arrangements for continued funding of certain activities? • Have loan covenants and the spirit of the loan agreement been observed? • Has the Government facilitated the participation of NGOs and civil society where appropriate? • Have the flow of funds and procurement procedures been suitable for ensuring timely implementation? • Has the Government engaged in a policy dialogue with IFAD concerning the promotion of pro-poor innovations?	
	Cooperating Institution • Should there have been greater involvement of partners such as the UN agencies and other development agencies in the design, financing and implementation of the programme? • Has the supervision and implementation support programme been properly managed (frequency, composition, continuity)? • Has the cooperating institution complied with loan covenants? • Has the cooperating institution been effective in financial management? • Has the cooperating institution sought to monitor project impacts and IFAD concerns (e.g., targeting, participation, empowerment of the poor and gender aspects)? • Have implementation problems been highlighted and appropriate remedies suggested? Have the suggestions and related actions been followed in the next supervisions? • Has the cooperating institution promoted or encouraged self-assessment and learning processes? • Has the supervision process enhanced implementation and poverty impacts? • Has the cooperating institution been responsive to requests and advice from IFAD when carrying out its supervision and project implementation responsibilities?	Interviews with representatives of cooperating institutions. PCRs, Mid-term Reviews and evaluations of completed projects.
Non-lending activities	**<u>Relevance</u>** • Are policy dialogue, partnership-building, and knowledge management objectives clearly outlined in the COSOP? Are they in line with the needs of the poor and are they consistent with the strategic objectives of the COSOP and lending operations, as well as with the Government's priorities? • Do the selected non-lending activities provide sufficient support for country programme objectives as per COSOP, as well as the loan portfolio in the country? • Were resources earmarked for non-lending activities and explicitly outlined in the COSOP (e.g., in the form of grants and/or the IFAD administrative budget)? • Was the selected mix of policy dialogue, partnership-building and knowledge management appropriate and relevant? • Were the advisory services delivered by other partners taken into account in selecting the focus of non-lending work?	Review of IFAD documentation on non-lending activities. Discussions with counterparts responsible for implementing these activities.

	Key Questions	*Main Sources of Data and Information*
COSOP Performance	**Relevance** **Assessment of the alignment of strategic objectives** • Were the objectives set out in the COSOP consistent with the overarching objectives of the prevailing IFAD strategic framework and relevant corporate policies? • Were the strategic objectives identified in the COSOP consistent with the Government's strategies and policies, such as the PRSP and agricultural sector framework, for agriculture and rural development as well as economic and social development? • Were the strategic objectives clearly defined and suitable for achieving sustainable rural poverty reduction? Was the basic approach adopted by IFAD, focused on support for women and socially excluded groups, too narrowly defined in terms of a broad strategy for rural poverty reduction? Should there have been an attempt to encompass issues such as youth, migration and addressing conflict in the rural areas? • Did the poverty analysis (economic and sector work) provide an adequate basis for the development of overall strategy; including the selection of the main elements of the COSOP (refer to Evaluation Manual)? • Are the strategic objectives aligned with the priorities of other bilateral and multilateral donors working in agriculture and rural development in the same country? If other donors pursued other priorities, should they have been convinced to align with IFAD? **Evaluating the coherence of the main elements of the COSOP** • Did the strategy succinctly articulate IFAD's comparative advantage and competencies in the country (i.e. country positioning)? • Were the target groups clearly identified in terms of the nature of the assistance that IFAD would provide? • Did IFAD select the most appropriate sub-sectors for investments? • Were the geographic priorities defined in the strategy consistent with the definition of the target groups? • Were the main partner institutions (e.g. for project execution, supervision and implementation support, community mobilization, cofinancing) the correct ones for meeting the country strategy objectives? • Were specific objectives defined and resources allocated for non-lending activities, including policy dialogue, partnership-building and knowledge management? • Were appropriate synergies foreseen within and among investment activities and between lending and non-lending activities? That is, did IFAD's overall assistance constitute a coherent country programme? For example, in terms of supervision and implementation support, the roles of the country programme management team and country presence arrangements. Country positioning is a measure of how well the organization responded to (or even anticipated) the evolving development challenges and priorities of the Government, built on the organization's comparative advantages, and designed its country strategies and programmes in a manner that took into consideration the support available from other development partners • Did IFAD assess the extent to which the global policy environment (trade, migration, etc.) and exogenous factors (e.g., climate change, exposure to natural disasters) should guide the choice of lending and non-lending instruments and the priorities for IFAD engagement through lending and non-lending services?	Review of COSOP. Interviews with Government of Kenya and IFAD managers.

	Key Questions	*Main Sources of Data and Information*
COSOP Performance	**Country programme management and COSOP management** • Did the Fund and Government of Kenya select appropriate supervision and implementation support arrangements? • How did country presence support the COSOP strategic objectives? Was the most suitable country presence arrangement established in the country? • Were lessons learned and recommendations set forth in independent evaluations properly reflected in the country strategy? • Were sufficient administrative and human resources made available for the implementation of the country strategy by both IFAD and the Government? • Did the CPM and country presence officer have appropriate skills and competencies to promote the policy dialogue and partnership-building objectives identified in the COSOP? • What is the quality of the COSOP results management framework, project status reports, and aggregated Results and Impact Management System reports and country programme sheets? Were Management actions in connection with this information system appropriate? • Was the COSOP M&E performed properly? Were annual country programme reviews undertaken in a timely manner and were the corresponding recommendations implemented within the required time frames? • As the COSOP is dynamic, was it modified to reflect changes at the country level? • Did the CPMT concept function appropriately and make the required contribution to country programme management? **Effectiveness** • To what extent were the main strategic objectives included in the COSOP achieved? • If a new COSOP is not yet foreseen, is it likely that so far unattained objectives may be achieved in full or in part? • What changes in the context have influenced or are likely to influence the fulfilment of the strategic objectives? Was the COSOP properly adapted mid-course to reflect changes in the context? • Did the Fund devote sufficient attention and resources to promoting effectiveness?	

Definition of the Evaluation Criteria used by the Independent Office of Evaluation of IFAD

Criteria	*Definition*[a]
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project coherence in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact[b]	
	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
• Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
• Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, and the poor's individual and collective capacity.
• Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
• Natural resources and the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment. It also assesses any impacts projects may have in adapting to and/or mitigating climate change effects.
• Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
• Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
• Promotion of pro-poor innovation, replication and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
• Gender	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.

Performance of partners • IFAD • Government • Cooperating institution • NGO/Community-based organization	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.

[a] These definitions have been taken from the Organization for Economic Co-operation and Development/Development Assistance Committee *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

[b] It is important to underline that the IFAD Evaluation Manual also deals with the "lack of intervention". That is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

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IFAD-funded Projects and Programmes in Kenya

Project ID	*Project Name*	*Project Type*	*IFAD approved financing (US$ '000)*	*Board Approval*	*Loan Signing*	*Loan Effective-ness*	*Project Start-up Date**	*Project Completion Date*	*Current Loan Closing Date*	*Cooperating Institution*	*Project Status*
25	Second Integrated Agricultural Development Project	AGRIC	17000	18 Dec 79	21 Dec 79	19 Jun 80	Unknown	31 Dec 89	30 Jun 90	IDA	Closed
132	National Extension Project	RSRCH	6000	13 Sep 83	09 Nov 83	22 Dec 83	Unknown	31 Dec 90	30 Jun 91	IDA	Closed
188	Animal Health Services Rehabilitation Programme	LIVST	8000	30 Apr 86	21 Jul 86	02 Dec 87	Unknown	30 Jun 93	31 Dec 93	IDA	Closed
238	Kwale and Kilifi District Development Project	AGRIC	8001	25 Apr 89	24 May 89	13 Mar 90	Unknown	31 Dec 95	30 Jun 96	IDA	Closed
271	Farmers' Groups and Community Support Project	RURAL	6500	11 Dec 90	29 May 91	18 Oct 91	Unknown	30 Jun 96	31 Dec 96	UNOPS	Closed
458	Coast Arid and Semi-Arid Lands Development Project	AGRIC	15700	12 Dec 90	29 May 91	09 Jul 92	Unknown	31 Dec 99	30 Jun 00	UNOPS	Closed
467	Eastern Province Horticulture and Traditional Food Crops Project	AGRIC	10970	02 Dec 93	15 Feb 94	14 Jul 94	28 April 1997	30 Jun 07	31 Dec 07	UNOPS	Closed
366	Western Kenya District-based Agricultural Development Project	RSRCH	11650	05 Dec 94	03 Feb 95	27 Jun 95	14 July 1997	30 Jun 00	31 Dec 00	UNOPS	Closed
516	Second National Agricultural Extension Project	RSRCH	9370	11 Sep 96	16 Sep 96	29 Nov 96	Unknown	30 Sep 97	31 Mar 98	IDA	Closed
1114	Central Kenya Dry Area Smallholder and Community Services Development Project	AGRIC	10919	07 Dec 00	27 Feb 01	01 Jul 01	23 Aug 2001	31 Dec 10	30 Jun 11	Direct Supervision	Completed
1234	Mount Kenya East Pilot Project for Natural Resource Management	RURAL	16740	11 Dec 02	26 Feb 03	01 Jul 04	25 Nov 2004	30 Sep 11	31 Mar 12	Direct Supervision	Ongoing
1243	Southern Nyanza Community Development Project	RURAL	21497	18 Dec 03	17 Mar 04	10 Aug 04	22 Nov 2004	30 Sep 11	31 Mar 12	Direct Supervision	Ongoing
1305	Smallholder Dairy Commercialization Programme	AGRIC	18335	13 Dec 05	25 Jan 06	12 Jul 06	17 Sept 2006	30 Sep 12	31 Mar 13	Direct Supervision	Ongoing
1330	Smallholder Horticulture Marketing Programme	MRKTG	23930	18 Apr 07	10 Jul 07	23 Nov 07	December 2007	31 Dec 13	30 Jun 14	Direct Supervision	Ongoing
1378	Programme for Rural Outreach of Financial Innovations and Technologies	CREDIT	29905	16 Sept 10	22 Dec 10	22 Dec 10	15 Jan 2008	31 Dec 16	30 June 17	Direct Supervision	Ongoing

Kenya CPE: Ratings of IFAD-funded Projects

Evaluation Criteria	*EPHTFCP*	*CKDAP*	*MKEPP*	*SNCDP*	*SDCP*	*SHOMAP*	*PROFIT*	*CPE portfolio assessment*[1]
I. Core performance criteria								
Relevance	3	5	5	5	4	4	5	**5**
Effectiveness	3	4	5	4				**4**
Efficiency	1	3	4	3				**3**
II. Rural poverty impact	3	5	5	5				**5**
Household income and assets	3	5	5	5				**5**
Human and social capital and empowerment	3	5	5	5				**5**
Food security and agricultural productivity	4	5	5	5				**5**
Natural resources, the environment and climate change	NR	4	5	NR				**5**
Institutions and policies	2	4	5	4				**4**
III. Other performance criteria								
Sustainability	3	4	5	4	4	4		**4**
Innovation and scaling up	3	4	5	4	4	4	5	**4**
Gender equality and women's empowerment	4	5	4	5	4	4		**4**
IV. Overall project portfolio achievement	3	4	5	4	4	4	5	**4**

[1] The final ratings for portfolio assessment do not consider the ratings for the EPHTFCP, as this project was designed in the 1990s, and initiated by AfDB and not IFAD.

Kenya CPE Self-Assessment of IFAD-supported Project Managers[1]

Aggregate Summary

Lead Questions	*Answers*
Project Design	
Is project design relevant to current context and issues?	Most of the project designs were appropriate and relevant to the current context and issues. Shortcomings in design were related to a lack of clear arrangements for access to funds by beneficiaries, sometimes resulting in important delays in project implementation
Is it flexible to address issues and needs that emerge?	Designs were flexible and allowed uptake of new activities contributing to overall project goals. Implementation support missions, project steering committee and MTR are important means to address emerging issues. However, in one case consultants' recommendations during supervision missions happened to be unrealistic and counterproductive. Problems with flexibility during project implementation were rather related to external issues (such as governmental framework)
Have modifications been made to original project design?	Design modifications were made in 3 out of 5 projects after MTR. These were mainly related to project period extension (by 2 – 2 5 years), reallocation of funds and new funding. In all modified projects, aspects related to water and irrigation were substantially increased
Are budget allocations adequate ?	In all projects budget allocations were only partly adequate. Underfunding was related to increased costs of project management. More staff had to be recruited and salaries increased (including tax). In one program, allocations for consultancies were constantly inadequate. Additional budget difficulties arose from increased market prices for units/machinery or civil works
Were budget revisions made since project approval?	Budget revisions were made in 3 out of 5 projects. These consisted in reallocations across budget categories
Are further budget revisions desirable?	Further budget revisions are desirable in 2 out of 5 projects. These relate to shortfalls in components resulting in a need of reallocation between components. In one case, revisions are not desirable, although they might be useful, because the program is coming to an end. One project received an additional loan to finance shortfalls
Were estimated prices and costs made in project design adequate?	Due to higher inflation than initially planned, the estimated prices were only partly adequate, resulting in higher costs for staff allowances and infrastructure related activities. Discrepancies from initial estimates resulted from changes in project design or initially inadequate budget allocations. In one case, estimated prices and costs were fully adequate
Is there a need for extending project completion date?	Generally there is a need for extension (by 1 to 3 years). In one case, a 3 year extension is required to catch up with delays due to delays in obtaining of funds, political instability and. poor project design. In two cases, extension, or additional extension, is desired to use the loans and address post midterm issues. In two cases, extension is not needed because the funds will be exhausted by completion date, respectively completion date is still remote. The possibility for an extension, respectively follow up project is expressed to assure sustainability or in case of unexpected delays in project implementation
Project Implementation	
Were there any Logframe changes?	All Logframes have been revised because of the retrofitting of its indicators in accordance with SOSOP indicators.
Were there baseline and repeat surveys?	Baseline surveys and impact assessments were mostly realized (or planned). In two cases, the surveys were not undertaken, as implementation of activities has just started
Are trends in livelihoods discernible?	Comprehensive household assessments have partly been carried out or are scheduled or foreseen. In one project, there are observable improvements such as new houses or higher income through product sale
Are there major project implementation problems?	Delay in project implementation resulted from several different factors. The slow rate of fund disbursement resulting in underfunded budgets was mentioned several times. On the other hand, there were slowdowns in the procurement process. Difficulties to recruit skilled staff, particularly in the field, for business development delayed some of the projects. Delays in implementation by government employees or disharmony between implementation approaches was a supplementary factor of project delay

[1] For the CKDAP, MKEPP, SDCP, SHOMAP and SNCDP projects.

Lead Questions	*Answers*
Satisfaction with UNOPS supervision and backstopping?	UNOPS supervision and backstopping was generally useful in advancing project agenda and engaging government. Backstopping was available upon request and efficient. However, the high turnover at UNOPS resulted in inconsistency of the supervision team and sometimes to inconsistent advice and difficulties in follow up. One project questioned the standard of some of the consultants, denounces delay in MTR and limited backstopping
Satisfaction with IFAD support?	Support from IFAD is generally positively acknowledged. The Field Presence Office (FPO) is praised for its accessibility and assistance. Processing of fund disbursement became more rapid and supervision frequencies increased Direct supervision may add high value to program implementation. The creation of a Country Program Management Team and Thematic Groups led to improvements in knowledge sharing and lessons learnt. However, inadequate staff capacity of the FPO generating certain delays is highlighted
Role of cofinanciers, if any?	The role of cofinancers is highly variable. Sometimes, they represent a conspicuous part of the project and have been very fruitful in accelerated project implementation. GOK sometimes plays an important role as pre-financier or provider of facilities (office space and staff). In some cases, communities have contributed in form of labour, land and cash. In one case there was no cofinancier
Was the project assisted with IFAD TAGs?	In 3 out of 5 cases assistance was given consisting in backstopping and implementation support missions. Support took place in monitoring, evaluation and financial management, but not with TAGs
	Sustainability
What is the likelihood that project achievements will be sustained after completion?	Elements speaking in favour of sustainability of project achievements relate to institutional improvements, capacity-building and community empowerment, training of the staff, guarantee of continuity and cost sharing of the facilities by beneficiaries. Institutional improvements include creation of management committees and interest groups, guaranteed government staff and supplies, setting up of cooperatives and other legal entities and projects relevant to policy evolution. Capacity-building was important in management skills (project and finance), operation and maintenance of schemes and facilities, agricultural practices (including farmer to farmer extension). Nonetheless, steady growth of revenues of the beneficiaries was achieved in several occasions resulting in communities wanting to continue their achievements
	Innovations
Has your project introduced innovations?	The projects introduced several innovations. Main innovations related to technical improvements (sanitation, manufacture, information systems, energy, cropping systems, livestock and crop productions), method improvements (business models and modes of funding, schooling and education systems, application of participatory tools, farmer to farmer extension of best practices, natural resources management). Social innovations have been achieved in gender issues
	Non-lending Activities
Are you aware that IFAD is conducting policy dialogue with GOK?	Generally yes. Policy development relates essentially to the agricultural sector, i e. food security, irrigation, horticulture, feed-stock breeding and feedstuff policy
Are you and project staff involved?	Projects and staff were involved in policy development through participation at workshops and policy preparatory meetings. Moreover, in some cases projects were involved in process and program planning and staff engaged for supervision missions
Have policies or policy changes affected your project?	Projects were generally negatively affected by policy and policy changes or even by the lack of legal framework recognizing the project's target groups. Negative effects on project implementation derive from creation of new districts, increasing the demand of resources and implementation of the water reforms (2002), leading to removal of staff from the sector. Positive impacts derived from the introduction of thematic group meetings and standardization of soft commodity sales
Has your project collaborated with projects of other development partners?	To different extents, all projects have collaborated with other development partners, ranging from Community Based Organizations, to NGO's and governmental institutions (national and international). In some cases, close collaborations include provision of funds and supply of assets and labour. Often, collaboration is (still) restricted to the establishment of MOU's. Difficulties arise from the lack of actual coordination

Lead Questions	*Answers*
Has IFAD promoted such partnership-building?	IFAD has promoted partnership building by funding partner organizations, by informing the projects about potential partners and by establishing connections with them. In one case, a need for deliberate efforts by IFAD's Country Office to link the organizations is expressed
Have there been any coordination efforts with other IFAD projects?	Coordination efforts have been undertaken through the presence of the IFAD Country Office, the Country Program Management Team, joint supervision missions, project visits, thematic group meetings (financial management and procurement, health and sanitation, environment, agriculture and livestock, water and irrigation, community development, monitoring & evaluation)
Has your project benefited from activities of knowledge management?	The projects benefited from knowledge management activities mainly through the thematic group meetings (held at least twice a year) and participation in knowledge management workshops (held twice). Single projects benefited from technical support in documentation by IFAD and by sharing experiences with projects from other countries in the ESA region
Was this assisted by IFAD TAGs?	Activities related to this concept are just starting. Assistance through IFAD TAGs has been very limited so far, but is believed to increase soon
	COSOP 2007-2012
Are you familiar with IFAD's COSOP 2007-2012?	The projects are familiar with IFAD's COSOP 2007-2012 and generally declare to fit logically in all three strategic objectives.
Was your project involved in the elaboration of the COSOP(s)?	Some projects were involved in the elaboration of the COSOP through participation to advanced meetings for its discussion. Recommendations were given from the projects
Had these documents any repercussion on the implementation of your project?	The documents have repercussion on the projects due to the fact that they operate within the COSOP framework. One project hosted the Monitoring & Evaluation thematic workshop
	Lessons learnt
Are there, at this stage, some preliminary lessons learnt?	Learnt lessons include: • Baseline surveys should be conducted before commencement of the program, • Need to have a zero year for creating awareness on the intended activities and stakeholder sensitization, • Need to redesign the fund flow mechanism, • Continuous training with participatory approach of staff members is essential for project implementation, • Technology adoption is accelerated by field training and demonstration. Demonstration sites where good performance can be observed increase adoption and farmer to farmer extension, • Proper participatory planning increases project performance, • Monitoring & Evaluation at the beneficiaries level is key for impact assessment and recording lessons learnt

Self-Assessment for IFAD's East and Southern Africa Division

Name of Respondent(s)	Position	Number of years in this position	Email address
Robson Mutandi	CPM	3	r.mutandi@ifad.org

Date: 14 April 2010

As part of the 2009/10 Country Programme Evaluation (CPE) of IFAD's Programme in Kenya, an attempt will be made to assess IFAD's strategy, loans and grants, as well as non-lending activities. According to the policies of IFAD's Independent Evaluation Office (IOE), any evaluation includes an exercise of self-assessment. In order to ensure a fair and comprehensive assessment and to capture all important lessons that may be learned, IOE kindly asks your cooperation in completing this questionnaire. Your answers will provide a valuable complement to the Programme Status Reports and Country Portfolio Issues Sheet (CPIS) and will be of great help in preparing the CPE team for their work in Kenya and for the verbal discussions with you

A. Country Strategy Development

A 1 Please provide a brief description of the process applied in preparing the 2007 COSOP and indicate any changes that you consider appropriate when preparing the mid-term review

COSOP preparation has been integrated with the preparation of the KJAS. Meetings of the Agriculture and Rural Development Donor's Group were attended, which included consultations on the sections of the KJAS relevant for agriculture. In addition, meetings of the Harmonization, Alignment and Coordination (HAC) group, which have taken the lead in the development of the KJAS, were also attended. The KJAS preparatory team also visited Tanzania and Uganda to share experiences with their counterparts in those countries with a view to incorporating lessons from these two countries into the KJAS and COSOP preparatory process

Some separate interaction with government on aspects specific to IFAD did take place, led by the External Resources Department (ERD) of the Ministry of Finance (MOF). This included reviewing the results, strengths and weaknesses of the previous COSOP; discussing IFAD's comparative advantage in Kenya; and defining areas of priority for IFAD and strategic objectives, within the context of GOK strategy documents and the KJAS. This was done through a small number of consultative meetings with an initial Country Programme Management Team (CPMT), made up of representatives from various government ministries, and a 1½ day strategic planning workshop

A 2 What were the (estimated) costs of preparing the 2007 COSOP and what is the budget for preparing the 2009 COSOP? Given the requirements specified in the new framework for Results-based COSOPs, is the budget available sufficient?

The cost of COSP preparation was about US$50,000. The budget was sufficient

A 3 What has been done to create awareness about the 2007 COSOP among government partners and PMUs? How has the 2007 COSOP been used in the current cooperation between IFAD and GOK?

The document was shared with the CPMT and project PMUs and government ministries. The COSP is the guide to IFAD investment in Kenya

A 4 Have changes to government and national policies had an impact on the strategic directions? Please explain and provide examples

The COSOP had to be updated due to updates and/or to the production of new policy and strategy papers, e g. KJAS and the Vision 2030 and other strategic documents in GOK

A 5 What has been your experience on the KJAS and IFAD's role in this and how does it influence the implementation of the COSOP? In this context, how effectively does IFAD position itself in relation to GOK and other donors to have influence?

We are part of the various donor harmonization groups and we work within these to influence processes.

A 6 Apart from portfolio development, what follow-up actions have been implemented to address the strategic priorities and the policy dialogue agenda of the 2007 COSOP (e.g. gender and HIV/AIDS mainstreaming) and what has been achieved? Did you have any action or implementation plan, with resources assigned to different activities, for achievement of the strategic priorities?

Two Strategic Objectives are funded and with programmes on the ground. The third – financial services - s partially funded through small financial services activities in a few projects such as SHOMAP and South Nyanza.

A 7 The recent portfolio composition reflects ESA's regional strategy (e.g. markets, financial services etc.). Has the regional strategy discouraged the consideration of other opportunities and government priorities that are different from the priorities of the regional strategy?

No – we are quite innovative and do more than the regional strategies demand, e g. on green water credits and ASALs – cows to kilo watts interventions.

A 8 Since the early 1990s, IFAD has gradually moved from an area-based integrated rural development approach towards a focus on social infrastructure and an intervention on natural resource management towards more strategic sub-sector/thematic approaches based on value chains. Currently, there is a plan towards implementing a rural finance intervention. What was the rationale for doing so and what do you consider are the specific advantages, disadvantages and challenges of this evolution?

The management demand for area based projects are high and thematic projects are easier to design and implement. However, this does not shut out area based interventions in the near future as this will once again be a focal area in 2012 under the revised COSOP.

A 9 Do you consider that the current portfolio constitutes a coherent programme where the different projects/programmes mutually enforce each other and obtain synergies or is it rather an amalgamation of different "stand-alone projects"? Do you consider it important to promote synergies between the programmes and if so what is being done? Is it feasible to pursue a coherent programme with a thematic/sub-sector approach, also considering usual problems of cooperation and coordination between different government entities?

These are more stand alone programmes but with synergies, e.g. for Rural Finance services. It is easier this way

A 10 Please provide figures on the recent Performance Based Allocation System. Are the underlying analyses and assessments discussed with GOK and used to influence the policy and institutional context as well as implementation performance?

Kenya's annual allocation has been increased from US$17 million in 2005, US$24 million in 2007, US$30.8 million for 2009 and the forecast based on the 2008 country scores for the 2010 to 2012 period stands at US$55.2 million. This increase is due to the increase in rural sector scores as well as an improvement in the 2005/06 World Bank Country Performance Rating which increased from 3.2 to 3.4, although some financial management issues still require constant follow-up.

B. Country Programme Management

B 1 What are the specific factors in Kenya that constrain implementation performance? What are the most common issues that arise in implementation?

Key challenges to the agriculture and rural development sector

1. *Sector reforms and adoption of umbrella legislation are slow. The formulation and review of important policies and regulations to move the sector forward is taking a*

long time due to resistance from people benefiting from the current arrangements. As a result, the harmonization of legal frameworks – which could provide a transparent and conducive environment for investments in agriculture – is delayed.

2. *Governance needs to be improved. Procurement remains the most challenging issue in the sector and is associated with low expenditures and high incidences of corruption, especially in the commodity sub-sectors (maize, sugar and meat), with incidents being reported in the recent past.*
3. *Progress in harmonization is slowly being achieved. However, there is need for more engagement with the private sector and civil society organizations. There is still not enough effort to harmonize SRA/agriculture sector development strategy with other supporting sectors, such as energy, roads, and private sector development. There is also no common system for impact-oriented monitoring in place.*
4. *Budgetary allocations remain low. Public expenditure for public goods in the agricultural sector for extension services and research and other public goods has remained low over the decades, despite the sector being the backbone of the economy. A large portion of the sector allocation goes towards operations and maintenance, reducing investments in the sector and spreading investments thinly over the many ministries and districts. A medium term investment plan to determine sector priorities is now finalized and one hopes that this will drive investment into the sector.*
5. *Monitoring and evaluation and reporting are still a major challenge for the projects, but here and there is great improvement in all areas.*
6. *Financial management is also a major challenge with all projects needing generally to improve on audit and financial reporting. But again, there are improvements here as well.*

B 2 Implementation performance varies between the different projects and programmes. Which factors explain this variation (nature and design of the programme, different capacity among government implementing agencies or project directors, supervision and implementation support etc.)? Does IFAD's current feedback loop enable it to manage the programme effectively?

All the above factors contribute to good management of project. The current arrangements at country programme level and direct supervision allows for effective feedback loops.

B 3 Please highlight important issues that IFAD has experienced with respect to GOK's financial management, flow of funds, procurement and monitoring and evaluation?

See B1 above

B 4 Capacity-building is the first mentioned objective of the 2007 COSOP. How do you consider IFAD's current approach?

IFAD's approach is mainly at beneficiary capacity-building level, and it is working well in all projects.

B 5 Please highlight plans concerning cofinancing partnerships with other institutions in the Kenyan context. While the early projects had significant cofinanciers, the later ones did not and a major cofinancier, BSF, no longer partners IFAD in Kenya. What are the reasons for this development?

For BSF, Kenya is no longer a priority country and so they stopped new funding. For the new programmes (SHOMAP is cofinanced with AGRA and the new Rural Finance Project is also to be cofinanced with AGRA). It is likely that other donors will join into the new project.t

B 6 Is there a systematic organization of meetings where the different project teams meet and exchange information and experiences and agree on cooperation?

The five current projects are organized in thematic groups and these meet very regularly and use this to cross-fertilise. Apart from this, they also meet as part of the CPMT. At country programme level, we have created five communities of practice (CoP) for all projects along thematic areas. All projects participate in these CoPs and each project has a lead role in at least one of the CoPs. These are the M & E thematic Group CoP; Water Development CoP; Rural Finance CoP; Group Development CoP; and Financial Management CoP. These groups are linked to the Country Programme and COSOP KM system portal and also provide guidance to projects on their relevant thematic areas.

B 7 Please highlight changes in country programme management that have taken place since establishment of a field presence office.

All IFAD staff that manage the Kenya Country Programme is based in Nairobi. This close proximity has led to more effective interaction with projects and government.

B 8 Please provide figures (in a separate attachment) as long back as possible on the PDDF for Kenya and if applicable any split between PDDF/A: COSOP preparation, strategy development, and project/grant design; and PDDF/B: supervision, implementation support, staff travel etc. Comments on adequacy are also welcomed.

See Attachment I.

B 9 Please provide figures (in a separate attachment) on the budget/expenditure for the field presence office, and information on plans for enhancing its resources as IFAD moves to direct supervision.

See attachment II

C. Impact, Sustainability and Innovation

C 1 In which areas and with which types of interventions has IFAD achieved the greatest impact in terms of reducing rural poverty? What are the main constraints in achieving impact on poor rural households?

Water related interventions are the most effective in showing high and quick impact. As a result, the COSP MTR recognises this and has prioritized investments in water and irrigation development for smallholder farmers as the next investment area.

C 2 How effective do you consider IFAD's targeting strategy in reaching the very poor?

IFAD targeting strategy is very effective in reaching the poor and has been very useful in our projects in Kenya.

C 3 How do you assess the prospects of sustainability of the activities and assets financed by IFAD and the related outcomes? What are the main explanatory factors for low or high likelihood?

Relatively high in all projects as they are owned and implemented by beneficiaries and involve simple technologies.

C 4 In your view, which are the main innovations that the IFAD programme has generated? What were the origins of these innovations and will they be further up-scaled and replicated as the IFAD financing comes to an end? Where would you rank IFAD for agricultural innovation in Kenya?

Ranked medium on innovation.

D. Non-lending Activities

D 1 How do you assess GOK's willingness to discuss policy issues with IFAD – within a project context and outside a project context?

We have done this and also are heavily involved in policy initiatives in SHOMAP, SDCP and SNCDP.

D 2 What are IFAD's main achievements in policy dialogue – and in which context?

We are helping GOK draft many policies e g. irrigation policy, livestock feed policy, horticulture policy and strategy for livestock development papers as well as rolling out the irrigation policy with stakeholders.

D 3 How do you assess the willingness of other development partners to enter into cofinancing partnerships with IFAD? Do you have a strategy for development of cofinancing partnerships?

Verbal support yes, but so far not much evidence of actual cofinancing.

D 4 Does IFAD use its leverage as a UN agency to contribute to the maximization of UN impact on poverty reduction in Kenya?

Not in Kenya and not directly. But indirectly, we are immensely contributing to poverty reduction through our intervention though they are not liked directly to the UN.

D 5 How do you assess GOK's willingness to engage civil society and private organizations in implementation? How do you assess the strength/weaknesses of civil society/private organizations relevant to IFAD's programme?

There is reluctance with NGO's but it seems that there is no problem with private sector.

D 6 Is there a strategy for how to handle knowledge management within and outside the projects? What has been achieved? What do you see as the constraints in improving knowledge management?

See B6

D 7 Have any Technical Assistance Grants been used to enhance policy dialogue and knowledge management? If so, please provide a brief overview of the results.

None – all through loans

List of Places Visited by the CPE Team
10 February – 6 March 2010

Date	*Place*	*Institution*
10 February 2010	Nairobi	IFAD Country Presence Office, MoFP, Ministry of State of Planning and National Development
11 February 2010	Nairobi	Technoserve, Stichting Nederlandse Vrjwilligers (Dutch NGO)
12 February 2010	Nairobi	MoA, MoLD
13 February 2010		Briefing of CPE team
14 February 2010	Nairobi	Travel by road to Nyeri (CKDAP)
15 February 2010	Nyeri	Provincial Administration and District Headquarters CKDAP PMU Nyeri District
16 February 2010	Nyeri	Nyandarua District
17 February 2010	Nyeri	Kirinyaga South District
18 February 2010	Thika	Murang'a South District
18 February 2010	Embu	Parallel short visit to MKEPP headquarters
19 February 2010	Thika	Thika District
20 February 2010	Nairobi	Travel by air to Kisumu
21 February 2010	Kisumu	Mini-workshop with project managers and GEF representatives, travel by road to Homa Bay
22 February 2010	Homa Bay	Provincial Administration and District Headquarters SNCDP PMU Rachuonyo North Distric
23 February 2010	Homa Bay	Kuria West District Migori District
24 February 2010	Kisii	Rongo District Nyamira North District
25 February 2010	Kisii	Travel by road to Nakuru, SDCP PMU Nakuru District Travel by road to Eldoret
26 February 2010	Eldoret	Uasin Gishu District
27 February 2010	Eldoret	Travel by road to Nakuru
28 February 2010	Nakuru	Drafting aide-mémoire
01 March 2010	Nakuru	Finalization aide-mémoire, Briefing at SHOMAP PMU
02 March 2010	Nakuru	SHOMAP district visits
03 March 2010	Nakuru	Travel by road to Nairobi, Equity Bank
04 March 2010	Nairobi	UNDP
05 March 2010	Nairobi	Wrap-up meeting at MoFP
06 March 2010	Nairobi	Final debriefing meeting of CPE team
31 January – 4 February 2011	Nairobi	Post CPE mission

List of Technical Assistance Grants

Country vs. Regional	*Grant No.*	*Purpose of Grant*	*Acronym*	*Amount in US$*	*Status*	*Grant effectiveness date*
Country	735	Strengthening community-organized responses to HIV/AIDS	RAPP	180000	effective	06/05/2005
Regional	766	Preparation and start-up phase of IMAWESA project	ASARECA	100000	closed	05/04/2005
Regional	800	Programme for improved management of agricultural water in eastern and southern Africa	ASARECA	2E+06	effective	16/03/2006
Country	802	Capacity-building for rural finance practitioners; action research with partner institutions;	KGT	660000	effective	16/03/2006
Regional	802	Kenya Gatsby Trust: Rural finance knowledge management partnership - phase II	KGT	1E+06	cancelled	
Country	888	Institution building for Kenya national federation of agricultural producers	KENFAP	200000	effective	21/12/2006
Regional	904	Programme for strengthening support capacity for enhanced market access and knowledge management in eastern Africa	SNV	2E+06	effective	02/03/2007
Regional	950	Assessing the potential of farmer field schools to fight poverty and foster innovation in east Africa	IFPRI	196000	closed	31/05/2007
Regional	978	Programme for extending agro-input dealer networks	IFDC	1E+06	effective	07/04/2008
Regional	1080	Rural financial knowledge management partnership - phase II	AFRACA	1E+06	effective	06/05/2009
Regional	1132	Improved management of agricultural water in eastern and southern Africa (IMAWESA)	ICRISAT	200000	effective	23/06/2009
Country	1134	Manyata pastoral livestock production and marketing support project	HEIFER	200000	effective	01/07/2009

COSOP Results Management Framework (2007)

Alignment with National Poverty Reduction Strategies (PRSP, ERS, SRA, ASAL Policy and Vision 2030) and Targets	*COSOP Strategic Objectives*	*COSOP Outcome Indicators (in project areas)*	*COSOP Milestone Indicators*	*Policy / Institutional Objectives*
Overall Objective: Capacity of farmers' organizations to take on most regulatory roles for their commodities strengthened. **SRA SO 3**: restructure and privatize non-core functions of government. **ASAL Policy SO 2**: human capital development and diversification of sources of income improved **Target:** 50% non-core govt functions privatised by 2012 from 10% in 2007	**Overall Objective:** Empower rural poor in Kenya to reduce poverty on a sustainable basis. **COSOP SO1**: Capacity of public, private sector and civil society organizations in delivering services requested by the rural poor, is strengthened. baseline • gaps and poor quality in service delivery service providers • community involvement is mostly in planning	• Number of rural poor served by public, private and civil society organizations is increased by 45% by 2012 • Number of women on management committees increased to 30% by 2012 • Number of CAPs included in government plans (60%).	• Number of groups operational/functional by type. • Number of CAPs prepared and implemented. • Numbers of community projects operational/functional by type.	• Mainstream participatory approaches and pro-poor targeting. • Contribute to NASEP, and ASALs policy.
Overall Objective Agricultural productivity and farmer incomes increased Increased access to water resources (ERS) **SRA SO 2, 3 and 6**: research and extension services improved; noncore functions of government restructured and privatized; and: access to markets strengthened **Target:** productivity increased by 18% by 2012. Access to safe water increased from 48% to 59% in rural areas by 2012	**COSOP SO2**: Access of rural poor to, and their utilization of, appropriate technologies, markets, and community-owned rural infrastructure is improved baseline • KES 105,000/ha (approximate net annual returns in MHP areas 2006). Growth in agricultural value added 1.4% (2004). • 43% of road network in bad condition. 48% of rural households have access to safe water sources.	• Number of farmers adopting technology recommended by the project (25% by 2012). • Number of households reporting an increase in net margins (40% by 2012). • Reduction of roads in bad condition from 43% of road network to 20% by 2012. • Agricultural productivity increased by 18% by 2012 crops and livestock. • !0% increase in volume of marketable surplus annually.	• 18% increase in agricultural production. • Number of entrepreneurs adopting business practices in the operations of the enterprises and engaging with farmers in a mutually beneficial manner. • Number of productive social infrastructure operational and maintained sustainably by 2012 and by type (access roads, markets, stores, schools, water points, health facilities,).	• Facilitate intensification, diversification, commercialization and value addition of smallholder agriculture and pastoralism. • Ensure sustainable management of rural social and productive infrastructure.
Overall Objective Access to affordable financial resources by farmers, pastoralists and entrepreneurs improved. **SRA SO 4:** Access to inputs and financial services increased. **ASAL Policy SO 6:** financial services to pastoralists provided **Target:** Amount of credit disbursed to farmers increased by 30% by 2012 from 9% in 2007	**COSOP SO3**: Access of rural poor to financial services and investment opportunities is improved baseline 9% of rural households access credit from institutions, 32% from informal sources.	• Number of enterprises operational by type. • Percentage of portfolio at risk. • Number of active borrowers. • Number of active savers.	• Value of savings mobilised. • Value of gross loan portfolio. • Number of operational rural financial service providers (including in ASALs). • Percentage of outstanding loans/agent.	Support implementation of the Microfinance Bill (2006) leading to an increase in the number and outreach of rural financial services institutions involved in agriculture and pastoralism.