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Investing in rural people

## IFAD Management Response to the Republic of Kenya Smallholder Horticulture Marketing Programme Impact Evaluation

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For: Review

## IFAD Management Response to the Republic of Kenya Smallholder Horticulture Marketing Programme (SHoMaP) Impact Evaluation

1. Management welcomes the findings of the Republic of Kenya Smallholder Horticulture Marketing Programme (SHoMaP) Impact Evaluation conducted by the Independent Office of Evaluation of IFAD (IOE). Management is pleased to note that the evaluation is in line with the project completion report in assessing overall performance as moderately satisfactory. The evaluation recognizes that the project coincided with the early stages of implementation of Kenya's new constitution, which resulted in substantial changes to the country context, such as the devolution of the activities of the Ministry of Agriculture, Livestock and Fisheries to new county governments.
2. Management concurs with the evaluation's assessment that the performance was satisfactory in terms of gender equality and women's empowerment. It welcomes the finding that the targets for women's participation were achieved and that targeted woman-headed households registered higher incomes than corresponding households in the control groups.
3. Management agrees with the evaluation's recommendations and will ensure that they are acted upon during the implementation of the ongoing IFAD-supported projects in Kenya and in the design of future projects. Management's detailed response to each recommendation is provided below.
4. Recommendation 1: In value chain-related interventions, adopt an integrated approach and a proper sequencing of activities.  
Agreed. Management agrees that value chain studies and activities should encompass the entire value chain, rather than be restricted to district boundaries with little focus on upstream activities. The design had envisaged two nationwide studies to complement the district-based value chain studies, and the undertaking of these studies should have been more vigorously pursued by IFAD. An integrated approach is being adopted in ongoing value chain programmes in Kenya. One example is the Smallholder Dairy Commercialization Programme (SDCP), which works with a wide range of upstream and downstream actors in the dairy value chain. Rather than focusing on administrative boundaries, SDCP intervenes in the so-called dairy commercialization areas, i.e. broad geographical areas selected on the basis of a series of indicators for milk production, marketing and consumption, and incidence of poverty.
5. Recommendation 2: When strengthening relationships among value chain actors, allocate sufficient time and support for capacity development and behavioural shifts to take shape.  
Agreed. Management agrees that to achieve effective linkages along the value chains, patience is required in order to build sustainable alliances both horizontally (between farmers) and vertically (farmers-traders). Management recognizes that farmers' lack of trust towards traders often makes them reluctant to engage in trading arrangements. Similarly, it agrees that group cohesion is important in building good working relationships within farmers' groups. IFAD's ongoing projects in Kenya are making concerted efforts to ensure that priority is given to reinforcing the capacity and social capital of farmers' groups, especially when they engage in joint business activities.

6. Recommendation 3: Target individual entrepreneurs or small enterprises for agroprocessing while positioning farmers as suppliers of raw materials.

Agreed. Management shares the concerns expressed by the evaluation regarding the difficulties encountered by SHoMaP in promoting the involvement of farmers' groups in value addition activities. Similarly, it notes the finding that increases in incomes were mainly due to production activities. Indeed, value addition through processing is an uncommon skill among smallholder farmers in Kenya and is generally not a priority for them. Management also takes note of the recommendation to work with a small number of individual entrepreneurs or small and medium-sized enterprises to advance value addition activities. In this context, Management refers to recommendation 2 and the finding that training in business skills, and group approaches and dynamics can strengthen the capacity of farmers' groups to run small agroprocessing enterprises. Management therefore prefers not to exclude the possibility of working with farmers' groups in value addition activities where there is an expressed interest and adequate capacity.

7. Recommendation 4: For infrastructure-related interventions, establish mechanisms for collaboration among stakeholders as part of the exit strategy.

Agreed. Management agrees with the evaluation's observations. As pointed out by the evaluation, the project was implemented in a period of transition from a central to a devolved system of governance. Unfortunately, implementation of the market infrastructure activities slowed down as a result. This contributed to the failure to complete the infrastructure works and lack of clear ownership arrangements for the market structures. It should be noted, however, that some of the structures are already being rehabilitated and money has been allocated by the county governments for their completion and operationalization.

8. Management thanks IOE for the fruitful process and will ensure that lessons learned from this exercise are internalized to further improve the performance of IFAD-funded projects in Kenya and elsewhere.