Independent Office of Evaluation

IFAD
Investing in rural people

Republic of Kenya

Country Strategy and Programme Evaluation

FINAL - UNEDITED

November 2018
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Foreword

Acknowledgements

Contents

Working paper
Report on mini survey of the Smallholder Dairy Commercialization Programme (available on request from IOE).

Currency equivalent

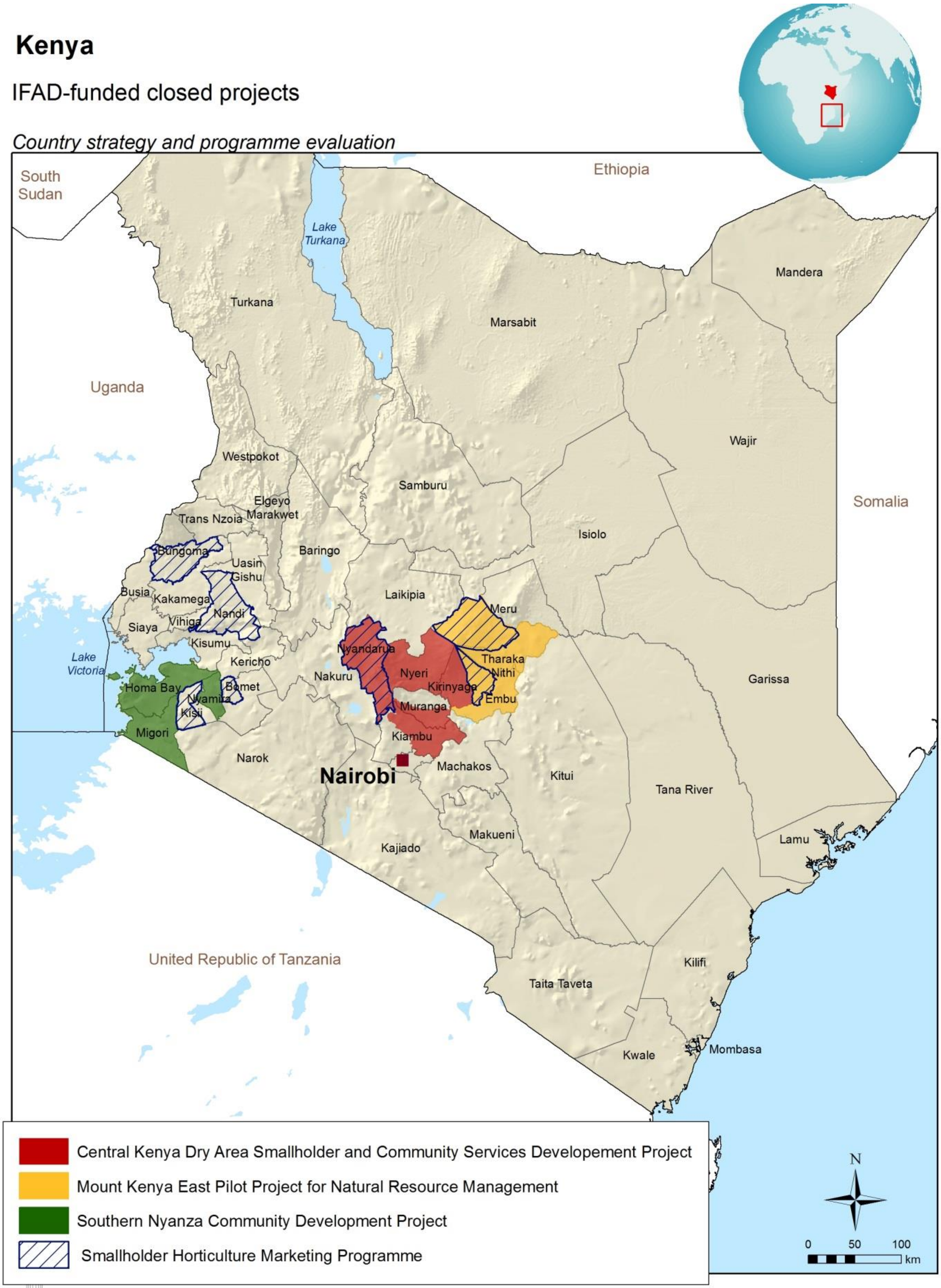
Currency unit = Kenyan Shilling (KES)
US$1.00 = KES 100.81 (1 April 2018)

Abbreviations and acronyms

AfDB	African Development Bank
AFC	Agricultural Finance Corporation
AI	artificial insemination
AIE	authority to incur expenditure
ARD	Agricultural Rural Development Group
ASALs	arid and semi-arid lands
ASDS	Agricultural Sector Development Strategy
BSS	business service support
CAADP	Comprehensive Africa Agriculture Development Programme
CAP	community action plan
CDD	community driven development
CETRAD	Centre for Training and Integrated Research in ASAL Development
CFA	community finance association
CFSA	community financial service association
CIDP	County Integrated Development Plans
CGIAR	Consultative Group for International Agricultural Research
CIG	community interest group
CIMES	County Integrated Monitoring and Evaluation System
CKDAP	Central Kenya Dry Area Smallholder and Community Services Development Project
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
CPMT	country programme management team
CSPE	country strategy and programme evaluation
DTM	deposit-taking micro-bank
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDA	focal development area
FDAC	focal development area committee
FHH	female-headed household
GEF	Global Environment Facility
IA	impact assessment
ICO	IFAD country office
IE	impact evaluation
IOE	Independent Office of Evaluation of IFAD
IER	impact evaluation report
KCEP	Kenya Cereal Enhancement Programme
KDB	Kenya Dairy Board
KFS	Kenya Forestry Service
KIBT	Kenya Institute of Business Training
KM	knowledge management
KWFT	Kenya Women's' Financial Trust
MFB	microfinance bank
MFI	microfinance institution
KMD	Kenya Meteorology Department
MEW&NR	Ministry of Environment, Water and Natural Resources
MKEPP	Mount Kenya East Pilot Project for Natural Resource Management
NDMA	National Drought Management Authority
NGO	non-governmental organization

NIMES	National Integrated Monitoring and Evaluation System
NRM	natural resource management
NPSDNKAL	National Policy for the Sustainable Development of Northern Kenya and other Arid Lands
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
PCRV	project completion report validation
PFI	private financial institution
PROFIT	Programme for Rural Outreach of Financial Innovations and Technologies
PCRV	project completion report validation
PCU	project coordination unit
PMU	project management unit
RBA	Rome-based Agency
RSF	risk sharing facility
SACCO	savings and credit cooperative organization
SDCP	Smallholder Dairy Commercialization Programme
SHoMAP	Smallholder Horticulture Marketing Programme
SME	small and medium enterprise
SNCDP	Southern Nyanza Community Development Project
TSP	technical service provider
USAID	United States Agency for International Development
UTNRMP	Upper Tana Catchment Natural Resource Management Project
UTNWF	Upper Tana Nairobi Water Fund
WFP	World Food Programme
WRMA	Water Resources Management Authority
WRUA	water resource users' association
WUA	water user association

Map of closed projects covered by this CSPE



IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

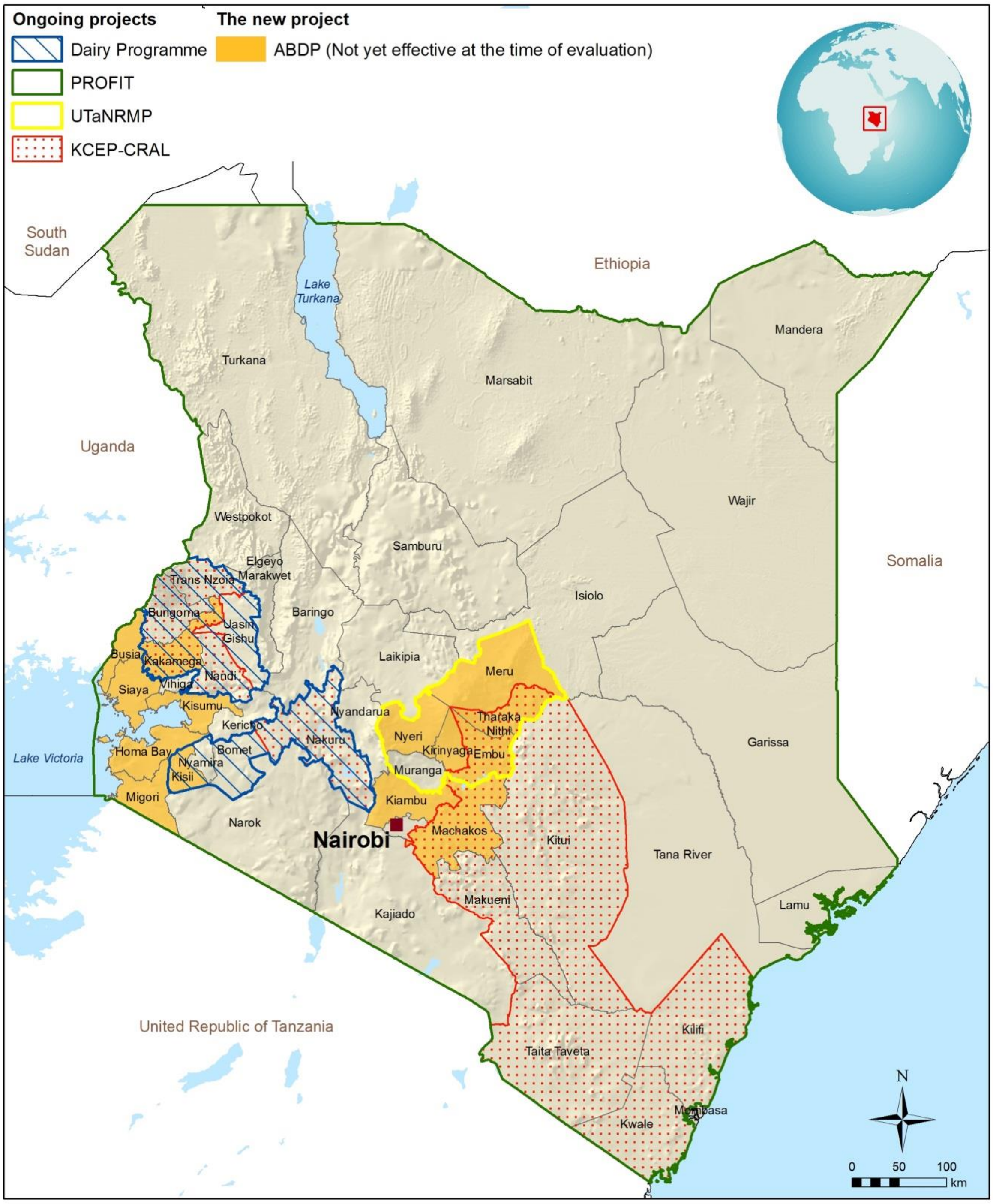
Map compiled by IFAD | 06-02-2018

Map of ongoing projects

Kenya

IFAD-funded operations

Country strategy and programme evaluation



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The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 25-01-2018

Executive Summary

Background

1. In line with the International Fund for Agricultural Development (IFAD) Evaluation Policy and as approved by the 116th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) undertook a country strategy and programme evaluation (CSPE) in Kenya. This is the second country programme evaluation (CPE) conducted by IOE in Kenya; the first CPE was finalised in 2011.

2. The main purpose of this evaluation is to assess the results and performance of the country strategic opportunity programmes (COSOPs) since 2011 and to generate findings, conclusions and recommendations for the upcoming COSOP to be prepared in 2019.

3. The scope of this CSPE covers the IFAD-supported activities conducted since 2011, when the current COSOP was presented to the Executive Board. The CSPE covers the lending and non-lending activities (knowledge management, partnership-building, and country-level policy engagement), including grants, as well as country programme and COSOP management processes.

4. The CSPE benefited from other IOE evaluations that have covered Kenya. These include the project completion validations (PCRVs) for the four closed projects and the impact evaluation of the Smallholder Horticulture Marketing Programme (2018). The CSPE used to the extent possible the available impact studies. To complement the available impact data, this CSPE also conducted an asset verification exercise and a telephone survey of a sample of 118 dairy groups.

5. The main mission took place from 4^{th} to 25^{th} June. Field visits were undertaken by three teams to five counties (Nakuru, Kisii, Nyamira, Embu and Kitui). Focus group discussions were held on three thematic areas: value chains, natural resource management and youth in agriculture.

Portfolio

6. Since 1979, IFAD has committed US$376 million in highly concessional loans to Kenya to support rural poverty reduction and agricultural development. IFAD has invested in 18 agricultural and rural development programmes and projects, funded by 20 loans.

7. The **lending portfolio** for the CSPE period (2011 – 2018) amounted to USD542.2 million of which IFAD financed US$283.1 million. The portfolio includes nine operations at different stages of project life cycle. Four operations are completed, four operations are ongoing and one operation was just approved in 2017.

8. The portfolio reflects a wide range of activities and sectors. It was mainly used for marketing and value chains (25 per cent of commitments), rural financial services and credit (19 per cent), aquaculture (13 per cent), natural resource management (8 per cent), capacity building and technology transfer (7 per cent) and infrastructure (5 percent).Management and M&E has taken up 11 per cent of the portfolio. Four per cent were allocated to community development and institutional capacity-building. The remaining 9 per cent were allocated to various sub-sectors, including climate change, irrigation, health and nutrition.

9. For the same period, 59 **global and regional grants** worth US$115 million were provided to organizations based in Kenya. Only six grants were funded under the country specific, Global Environmental Facility (GEF), or other windows. The main thematic areas supported by grants included marketing and knowledge management, policy dialogue, natural resources management, women and youth, farm technology, and support to farmer and producer organizations. The majority of grant recipients were Consultative Group on International Agricultural Research (CGIAR) centres, not for profit organizations and NGOs.

10. **Context**. The past seven years in Kenya have seen considerable political, economic and environmental challenges. In particular, tension around elections, complex devolution processes and severe drought affected the country. While Kenya is a strongly growing economy, poverty is still high and wealth is unequally shared. The Government has maintained a strategic emphasis on agriculture, although its budget commitments have not met the Comprehensive Africa Agriculture Development Programme targets. The private sector is expected to adopt an increasingly vital role in driving the rural economy forward; it is seen as a key element in the Government's new Big Four agenda.

11. Achieving food security through higher incomes and greater food resilience is a central tenet of the new Big Four strategy. The strategy foresees that smallholder production will be boosted by improved feed supply, credit, warehousing, licensing and support to small and medium enterprises, and enhanced irrigation and fish farming. This agenda is bringing a renewed impetus to the agriculture sector, and IFAD is well placed to align with the imperatives of improving food security alongside a more competitive, market-led enterprise driven approach backed by government policy and regulatory reform.

12. **IFAD's engagement** in Kenya has grown since the last CPE (2011). IFAD established a country presence (2008), shifted to direct supervision and implementation support (2008) and set up a Country Programme Management Team. Since 2011, the country programme management (CPM) has been out-posted to Nairobi. IFAD's strategic objectives shifted from broad community development towards selected value chains, investing more in semi-arid areas, improving access to rural finance and continuing to address environmental degradation and climate change.

Main findings

13. **Relevance**. The portfolio has been well aligned with government strategies in terms of thematic focus. However, project designs have only partly adapted to the devolution in terms of targeting and service provision. Only the recent projects have been able to align with the growing county-level mandate to manage their own funding and planning. Targeting has been sound geographically and with sufficient specificity to reach certain groups, in particular women, and to a lesser degree youth. Pastoralists in arid areas have not been targeted.

14. Recent projects focussed on single sub-sectors, which helped to reduce some complexity in design. However, the complexity of engaging with multiple partners along the value chain was overambitious, and value chain diagnoses were insufficiently performed. Ambitions were also high in rural finance. The shift from relatively minor rural finance sub-components in projects to a major new investment in rural finance through a standalone project represents a significant change in approach. The complexity and high risk of this approach placed immense challenges on the Project Coordination Unit and its service providers, and led to serious delays.

15. **Effectiveness.** Overall there has been a good level of output and outcome delivery in the lending portfolio. Service provision has strengthened in the form of better trained extension, health and social officers. Group formation and capacity building generally met or exceeded targets across the portfolio, as did the preparation of action plans. Environmental targets were mostly achieved in areas such as reduced pollution, forest protection and soil conservation measures. The portfolio achievements were not satisfactory with regard to surveys or diagnostics, and transition to commercial groups. Often these outcomes occurred after a slow start-up period, followed by a rapid and strong period of delivery in the mid to late phase of the project.

16. Beneficiary outreach targets have been met or exceeded for three of the four completed projects, and overall some 2.3 million people have been reached, against a target of 2.6 million. Beneficiary groups were established, supported and

trained by projects in various sectors including health, roads, water, forestry, dairy and horticulture production. Over 2,000 hectares of irrigation schemes have been improved, and soil, water and forest management have also improved. The earlier projects were broadly effective in reaching their physical targets and did so using community-based group-led approaches and action plans.

17. NRM projects have resulted in improved access to natural resources and communities have been empowered to manage these resources in a sustainable way. The Mount Kenya project supported the rehabilitation of natural resources within the protected forest and assisted conservation and rehabilitation along five river basins outside the protected area. The Upper Tana Project has continued some of these activities and supported the rehabilitation of 28 river basins.

18. Value chain-related activities have contributed to increased productivity of crops and livestock, but the activities related to marketing and processing have been less successful. The expected synergies between rural finance and value chain projects were not realised. In rural finance the delayed results, the low quality of the lending portfolio and the limited outreach to the IFAD target group have been of concern. Outreach to women was good throughout the portfolio; people living with HIV/AIDS were consistently targeted. Youth and pastoralists were not sufficiently reached.

19. **Efficiency**. Overall efficiency has been constrained by slow disbursement. The slow issue of Authority to Incur Expenditures (AIEs) was a concern raised in the last CPE and relates to the fact that Project Management Units cannot spend funds until the supervising government authority delegates permission to spend funds to the PMU, usually the Project Manager. The issue has affected all projects and was slow to be addressed due to the ongoing changes in institutional roles and responsibilities. Staff capacities were insufficient due to high levels of turnover and under-staffed Project Coordination Units.

20. Actual management costs have exceeded the planned allocations for all projects, although the proportion of funds spent on project management costs has fallen from a high of 35 per cent in the earliest project reviewed (CKDAP) to less than 20 percent for the recently closed horticultural project. Higher than expected management costs for the closed projects were attributed to duplication of coordination structures, the need to match allowances prevailing in the Government, increased fuel prices, and poor planning of Annual Work Plan and Budget activities and project extension. Costs per beneficiary were highest in the value chain projects due to the relatively smaller number of beneficiaries reached. The earlier community development projects kept closest to their estimated cost per beneficiary.

21. **Impact**. The available impact studies have found positive economic changes for beneficiaries of all projects. Household incomes reportedly increased between 70 percent in the earliest project (CKDAP) and 14 percent in the ongoing Upper Tana Project. Housing conditions were found to be improved as a result. Increasing agricultural production was a central tenet of all projects in the portfolio and it was the most important reason for increases in household incomes and assets. Changes in productivity occurred for a host of reasons: training; field demonstrations; improved crop varieties and livestock breeds; and the introduction of new technologies such as banana tissue culture. Food security generally improved, as beneficiaries had access to more diverse food baskets, including higher levels of animal and vegetable proteins, and lower levels of tuber and fruit consumption.

22. For two projects (SHoMAP and SDCP), the studies were able to attribute the significant improvements in productivity, food security and incomes to the project. Here lower transportation costs, better prices and stronger local demand (in the case of milk) led to increased incomes. For all projects, the positive changes, such as increases in productivity, were the result of production-side interventions only. Positive results emanating from the market side interventions were far less visible.

23. Training in group dynamics led to positive outcomes such as reduced conflicts. However, the results in terms of group cohesion were mixed. In some instances, project duration was too short to reach a level of social cohesion. Negative group dynamics and mistrust among newly formed commercial groups were difficult to overcome and there were issues of weak governance and leadership. The more successful groups were those that were relatively mature (dairy) and those that were formed and governed by the national constitution (NRM groups). The projects successfully built the capacities of staff of government institutions. However, most projects did not have explicit interventions to influence national policy. The grass-roots organizations formed or supported by the projects did not always transform into permanent structures.

24. **Sustainability**. Across the portfolio, group formation and ownership have been a strong feature of IFAD interventions. The sustainability of project assets has benefited from the engagement, participation and ownership of local communities and grass-roots organisations. Where enshrined in law, user associations have continued to be effective and many have become self-financing.

25. Some project infrastructure such as health clinics have been taken over and run by county health departments. However, counties have yet to fully absorb and fund project assets for example the markets funded under the horticulture project (SHoMAP). At times the ongoing changes of institutional responsibilities have led to delays and inaction at the local level with regard to asset maintenance.

26. Rural finance models have shown only partial sustainability. Only few community-finance associations established under the earlier projects are still operating. Inadequate staffing, poor security in remote locations, loan default and competition have all affected their survival, as well as their lack of clear legal status. For the ongoing financial graduation pilots sustainability will depend on the formalisation of the savings groups and their linkage to formal financial services through microfinance and banks.

27. The involvement of the private sector is a key element of sustainability. The links made with private sector actors to enable continued commercial growth of production activities have been valuable – for example, linking dairy groups to the savings and credit cooperative organizations or bulk buyers to the large dairy companies. Lack of linkages with financial service providers in value chain projects may hinder the sustainability of benefits that depend on continued access to finance to maintain and expand project assets.

28. **Innovation**. The portfolio has taken innovation seriously in a country which is acknowledged as a leader in innovation. In rural finance IFAD introduced innovative financial approaches such as value chain financing, micro-venture capital modalities and weather index-based insurance. In NRM innovative practices such as school greening, use of indigenous knowledge, hydroponics and solar-powered electric fencing were promoted. The introduction of a value chain approach in the arid and semi-arid lands ASAL areas has also triggered the innovative inter-weaving of different production and marketing elements such as conservation agriculture, a county climate change fund, climate information services, warehousing, and new partnerships with private sector and research agencies.

29. **Scaling up**. There are examples of replication and scaling up through extension of the duration of projects and adoption by the Government and other actors. Horticultural technologies were replicated by private sector entrepreneurs and initiatives as well as by nearby county governments. However, opportunities were missed to expand to a national level and in other cases have yet to take place. IFAD’s work in the NRM sector has been taken to scale by Upper Tana, which rolled out practices such as forest rehabilitation and river basin protection piloted by Mount Kenya over a much larger area.

30. **Gender equality and women's empowerment**. Gender has been a successful theme in the portfolio. The promotion of gender equality and women's

empowerment has resulted in significant achievements, improving women's access to resources, assets and services and their influence in decision-making at home, in groups and in the community. In this way, the portfolio has contributed to addressing root causes of gender inequality in rural Kenya and to challenging traditional gender norms and roles. Relatively less attention has been given to reducing women's "time-poverty" by promoting an equitable workload balance between women and men. The potential of the portfolio to enable gender-transformative impact is set to increase with the implementation of household methodologies. Women-headed households have benefited from project interventions, although less than male-headed households.

31. **Youth**. Youth were not consistently targeted and outreach has been mixed as a result. For example 60 per cent of the members of the savings groups in the financial graduation pilots in Kitui county are youth; youth also account for 20 percent of the members in the project-supported diary groups. Youth have benefitted from interventions, such as cows and other asset transfers, improved access to savings and loans, and employment by marketing milk on motorbikes.

32. **NRM.** NRM has been a strong and successful theme within the portfolio. The two main projects in the area of natural resources, the environment and climate change performed very well. They have resulted in improved access to natural resources and a growing empowerment of communities to manage these resources in a sustainable way. Other IFAD projects contributed to NRM outcomes through, for example, the establishment of tree nurseries for agro-forestry and the rehabilitation of degraded areas, and promotion of soil and water conservation.

33. **Climate change**. Climate change was not consistently recognised and mitigated in the portfolio. In the earlier projects, recognition of climate risks was minimal and indicators were not included. Nevertheless actions such as supporting drought-resistant crops, biogas plants, energy-saving stoves and tree nurseries appeared as part of the activities. Climate change adaptation strategies were relatively well incorporated into projects, including conservation agriculture, irrigation, promotion of drought-tolerant crops and integrated pest management.

34. **Knowledge management**. Attention to knowledge management in projects has been unsatisfactory. Although knowledge products have been produced by some projects, they have not been well harnessed by IFAD or others. There was hardly any country-level analysis; for example, no review of the current COSOP has taken place from 2013 until this year. IFAD has also paid less attention to strengthening the Government's role in and ownership of knowledge management – for example, IFAD linking project M&E with the National Integrated Monitoring and Evaluation System (NIMES) and the County-level equivalent (CIMES).

35. **Partnership building**. IFAD has maintained good relations with national and local government agencies involved as implementation partners. IFAD projects are generally seen as being responsive to local needs. The 2007 and 2013 COSOPs recognised the need to strengthen local authorities and communities to manage their own development as part of the ongoing devolution process. However while overall support was positive, there were no specific measures identified or funded to help implementing partners to adjust to the ongoing institutional changes .

36. The private sector should have played a greater role in partnerships. Project designs underrated the role for the private sector as partner in horticulture, dairy and cereal value chains; private sector actors were seen to have complementary though secondary supporting roles. In the recent operations certain private sector actors particularly banks, agro-dealers, traders and NGOs have taken a more active role

37. Co-financing has not been a prominent feature in the portfolio but has been increasing in the recent projects. The two NRM projects (Mount Kenya, Upper Tana) had co-financing from GEF and the Spanish Trust Fund, respectively. The ongoing

value chain projects (KCEP, ABDP) have co-financing from the European Union and the Food and Agriculture Organization of the United Nations (FAO), respectively.

38. Interaction with the Rome-based agencies has improved over the years and their complementary roles have been focused and valuable. FAO in particular has been closely involved in technical and training work around IFAD's investments in aquaculture, ASAL and dairy.

39. **Policy engagement.** The 2013 COSOP agenda remained as ambitious as the earlier COSOPs, yet while a country office was established in the interim, limited resources were provided and no clear mechanisms were defined to take policy work forward to a new level. The relatively high turnover of CPMs has also contributed to the limited engagement. Nevertheless IFAD has been active in the sector working groups, and its contribution has been seen as particularly strong in the past five years.

40. Policy engagement was one of the focus areas of IFAD grants, with some positive results. For example the grant in support of the African Green Revolution Forum led to the President of Kenya announcing a fund for young farmers and young agriculture entrepreneurs. Another example is the grant for Pro-poor Rewards for Environmental Services in Africa that contributed to the adoption of rewards for environmental services in the Kenya Water Policy under the new Constitution of 2010.

41. **Grants**. The grant portfolio of Kenya has been broadly relevant and aligned to IFAD strategies. Grants funded areas were of key importance to the country strategy and thus have contributed to COSOP objectives. Although grants targeted relevant thematic areas, few documented examples exist that demonstrate the uptake of results from their activities, such as the support for capacity-building for community groups to improve their production and incomes. Often actions were conducted at very small scale compared to the size of the watersheds and this limited their relevance to policy makers.

42. Regional grants account for the largest share of this portfolio, but for those grants that focused on knowledge management there was lack of a clear framework to engage with the country programme. This resulted in knowledge being disseminated through regional (east Africa) workshops as opposed to country-level workshops, which would have been more effective. The country portfolio could have benefited from more country-specific grants.

43. **IFAD as a partner.** IFAD has achieved higher and more effective interaction with the Government, partners and projects, especially since the establishment of direct supervision in 2008. IFAD has been active in the donor coordination groups, such as the Agricultural Rural Development Group, although it has not taken a chairing role so far. It is seen as a valuable partner with strong field knowledge and valuable experiences to share. The IFAD office in Nairobi faces a high burden with regard to coordination because of the large donor presence. The regional hub role of the office also places an additional layer of complexity on the IFAD team. Currently there are five staff contributing to strategy and policy engagement. However, three of them (covering Gender and Youth, Environment, and European Union Operations) also have a regional role.

44. **The Government as a partner.** The Government has made several changes to the ministerial framework that have made relations less efficient. The Government's devolution policy has negatively affected project efficiency. From 2013 onwards, when the devolution policy came into effect, increasing implementation responsibility for projects was placed on county governments rather than line ministries. At district/county level, facilitation teams were the mechanism used to provide coordination with local government structures.

45. In general the anticipated government contributions have been met or exceeded. The Project Management/Coordination Unit model has worked to the benefit of

projects in terms of finance and procurement, especially from 2013 onward, when devolution was ongoing. Since 2016, projects have had to work harder to integrate with county-level arrangements. Only the most recent project (ABDP) has been able to reflect more clearly the new relationship between national and county governments by setting up dedicated project accounts at county level alongside the national account.

Conclusions

46. **Adapting to the process of devolution has been a defining challenge for IFAD and affected the programme's performance and sustainability over COSOP period.** IFAD's procedures were somewhat slow to adapt. The need to engage effectively with both national and county-level partners has added pressure on the limited ICO resources. Devolution, government ministry reorganisation, and slow policy reform processes have also limited the impact of the substantial investments into building the capacities of government staff and other service providers in areas such as agricultural extension, credit delivery, marketing and gender mainstreaming until now. Only recently have newer projects been able to align with the growing county-level mandate to manage their own funding and planning.

47. **The lending portfolio has been affected by slow disbursement and over ambitious start up timeframes**. Project delivery has relied on Project Management Units, which also had to adjust to the growing role of county governments. These Units have continued to suffer delays around staff recruitment and partnership-building, and have proved costlier than planned. Projects that have been extended, or have been able to use established management infrastructure, were able to avoid these start-up delays.

48. **Despite these challenges the portfolio has overall achieved a moderately satisfactory performance,** mainly due to the following reasons. The continuity of and extended financing for project implementation has enabled interventions to build on existing institutions and on lessons learned, and it has deepened effectiveness. While IFAD has tried to introduce new approaches to its portfolio and given more attention to rural finance and to private sector engagement, this has increased the complexity of designs and implementation, leading to delays in disbursement, difficulties in achieving sufficient staff capacity and finalisation of partnership agreements. IFAD's focus on supervising project management has absorbed considerable resources, but has yielded positive results within the lending portfolio, in particular with regard to outreach to poorer groups, integration of crosscutting issues and fiduciary oversight.

49. IFAD has met head on the difficult task of **building more commercial approaches amidst the poor and resource-challenged farmers** especially in ASAL areas. Group approaches have worked here to provide risk-sharing, and IFAD has also been innovative in bringing in solutions around credit delivery, agro-processing and environmental management. But graduation models while offering a logical pathway for households to produce at a more commercial level, have sometimes been over-ambitious, especially where climate risks are acute or where links to large processors remain a challenge.

50. **IFAD has achieved most success in the area of NRM, and value chains and rural finance have also performed well**. Working with group-based approaches in NRM has been successful and sustainable because of the favourable legal and institutional framework in Kenya, and IFAD has thus been able to leverage its comparative advantage in community development. For value chains, IFAD has been successful for relatively mature and better integrated value chains such as dairy, while in the more nascent and less integrated value chains such as horticulture it has been unable to achieve the stated objectives within the limited span of a project. Progress has been made on raising the productivity of dairy, horticulture and cereal producers, but linkages with the processing and marketing

parts of the value chain have not yet been fully realised. With rural finance, IFAD has stimulated immense interest in its drive to leverage Kenya's banks and microfinance institutions to lend to smallholder producers as in preparing poorer farmers to access credit through financial graduation. There is good potential now to expand, while more carefully monitoring who benefits. Expected synergies between rural finance and value chain projects have yet to be fully realized.

51. **Targeting of the poor has been successful in the NRM and value chain projects and also in the financial graduation component of the rural finance project.** Targeting has been strong in terms of gender, with an increasingly transformative approach. On the other hand, youth has been less well addressed, and IFAD could have done more to focus on this constituency given that nationally youth unemployment is double that of adults. The move toward the ASAL, recommended by the last CPE, has been limited to semi-arid areas so far. Given that IFAD has a focus on value chains and so far has not been able to reach out to pastoralists, targeting the arid areas may be hard to realize within the COSOP objective of market access. The newest project (ABDP) reflects again a move away from an ASAL focus.

52. **The large scale of operations, the complexity of projects and the geographic spread have absorbed the limited IFAD Country Office resources and left little time to engage in non-lending activities**. Policy dialogue has been *ad hoc* and without a coherent approach that builds on the lending portfolio as a whole, and with a somewhat detached grant portfolio. So far IFAD's policy work has been through active engagement in donor and government working groups. However there is considerable potential f for IFAD to draw on its field experiences to inform the wider national policy agenda in Kenya as well as to inform IFAD and its other development partners. Knowledge management has received insufficient attention and M&E has not been robust enough to drive the capture of useful findings, and the IFAD Country Office has not had capacity to aggregate and share evidence across the portfolio. Learning lessons has not been helped by the high turnover of IFAD CPMs and the failure to monitor COSOP performance punctually. Partnership building has been more effective but mainly built around project service provision, and with somewhat less success with private sector actors. International co-financing has been increasing in the newer projects and there is scope for further growth. Partnerships with the Rome-based agencies have been relatively new, but they are showing promising signs of success. Challenges remain with regard to the coordination of activities on the ground.

Recommendations

53. **Recommendation 1. Consistent with the importance and size of the Kenya portfolio, commit sufficient effort and resources to non-lending activities.** In line with the recommendations from the last CPE, this CSPE highlights the need for engagement beyond lending, recognising the significance of Kenya as a hub for international development partners and the size of IFAD's investment in the country. The next COSOP should define specific areas for policy engagement together with an actionable strategy and dedicated (financial and human) resources. This means that additional staff with relevant technical skills will need to be added to the IFAD Country Office. Areas for policy engagement need to build on IFAD's comparative advantage in the rural sector and its long-standing experiences on the ground. It is expected that policy engagement will also benefit from the expertise available within the new Eastern Africa and Indian Ocean Hub of IFAD, based in Nairobi. Greater investment from loans and grants is needed to take stock of experiences and analysis of successful models that can effectively inform the lending operations. In addition, mechanisms for cross-learning between projects and non-lending activities should be adopted as part of the annual portfolio review. More active contribution to and use of knowledge sharing platforms (within IFAD and with other development partners) should be pursued, and IFAD should work to

better integrate its M&E systems with national systems (NIMES, CIMES) as well with close partners such as FAO.

54. **Recommendation 2. Build on IFAD's comparative advantage and retain focus on selected themes and geographic areas.** There is still "unfinished business" in the areas where IFAD has successfully worked in the past. IFAD's portfolio should continue its focus on NRM, value chains and rural finance. It should concentrate on consolidating its achievements (e.g. by strengthening market access), identify and strengthen linkages (e.g. between rural finance and value chains), and deepen inclusive outreach (e.g. to youth). Geographic stretch should be reduced through greater focus on selected counties in semi-arid areas. IFAD should build on places where it has established good relations and the County Integrated Development Plans can integrate IFAD activities. To ensure stringency in its selectivity, IFAD should dialogue with the Government on aligning its requests with IFAD's comparative advantage in Kenya.

55. **Recommendation 3. Address recurrent design and institutional issues undermining programme efficiency within the context of the ongoing devolution process.** Lessons from overambitious and overly complex project designs have yet to be learned. Designs need to be realistic and implementable, supported by sound technical and institutional analysis. Given the complexity of the portfolio and the limited resources of IFAD's country office, inefficiencies in project management should be addressed by more realistic timeframes and better sequencing of activities. This would allow sufficient time to establish partnerships, recruit staff and conduct baselines. From IFAD's side, it should aim to reduce loan disbursement delays; from the Government's side, it should recruit project staff and set up Authority to Incur Expenditures in a more timely manner. Fiduciary controls should be retained in small but capable Project Management Units while at the same time seeking greater integration with devolved government planning, financial procurement and M&E systems. Greater ownership at county level is desirable and could be fostered through participation right from project design and start-up (e.g. inclusive project launches). IFAD-supported projects should make sure that they are included in the County Integrated Development Plans and that county government budgets assume an appropriate level of co-financing. IFAD and the Government should assess economic return and value for money more rigorously particularly for value chain projects.

56. **Recommendation 4. In line with the Government's strategic planning, create space and opportunities for engaging the private sector**. The success of the value chain and rural finance projects will depend to a large extent on the involvement of private sector players. Within the Government's strategy (Big Four) the private sector is expected to contribute significant financing to drive the rural economy. In the value chain projects, the role of the private sector could be enhanced through improved supply of inputs, credit and market-related infrastructure (e.g. warehouses). IFAD will need to play a stronger brokering role between farmer groups and private sector partners. The public-private-producer partnerships will require strategies to identify and mitigate the risks and transaction costs for all stakeholders.

Agreement at Completion Point

I. Background

A. Introduction

1. In line with the International Fund for Agricultural Development (IFAD) Evaluation Policy[1] and as approved by the 116th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) undertook a country strategy and programme evaluation (CSPE) in Kenya. This is the second country programme evaluation conducted by IOE in Kenya; the first CPE was finalised in 2011.

2. This report presents the findings of the CSPE. It contains a summary of background information on the country and IFAD-supported portfolio that was evaluated. The next section outlines the evaluation objectives, methodology, process and timeframe.

3. The CSPE benefited from other IOE evaluations that have covered Kenya. This includes the project completion validations (PCRVs) for the four closed projects and the impact evaluation of a recently closed project, as well as a country study as part of the 2016 corporate level evaluation on decentralization.

Table 1
A snapshot of IFAD operations in Kenya since 1979

First IFAD-funded project	1979
Number of approved loans	18
On-going projects	4
Total amount of IFAD lending	US$376.3 million
Counterpart funding (Government and beneficiaries)	US$205.7 million
Domestic partner funding	US$51.9 million
Co-/parallel financing amount	US$185.4 million
Total portfolio cost	US$819.3 million
Lending terms	Highly concessional
Main co-financiers	World Bank IDA, Spanish Trust Fund, African Development Bank (AfDB). European Union (EU) and Global Environment Fund (GEF) in most recent projects
COSOPs	2002, 2007, 2013
Past cooperating institutions	World Bank; UNOPS
Country Office in Kenya	Country office since 2008
Country programme managers	Robson, Mutandi (2007-2010); Eremie, Samuel Wariboko (2010-2013); Nadine Gbossa (2014-2015); Franklin, Henrik (2015-2016); Elsadani Salem, Hani Abdelkader (2016-2018); Kasalu-Coffin, Esther (2018-present)
Main government partners	National Treasury, Ministry of Agriculture and Irrigation; Ministry of Water and Sanitation, Ministry of Environment

B. Objectives, scope and methodology

4. **Objective.** The main purpose of this evaluation is to assess the results and performance of the country strategic opportunity programmes (COSOPs) since 2011 and to generate findings and recommendations for the upcoming COSOP to be prepared in 2019. The CSPE identifies the factors that contributed to the achievement of strategic objectives (SOs) and results, including the management of project activities by IFAD and the Government.

5. **Scope.** The CSPE assesses the outcomes, impact and performance of the activities conducted since 2011, when the current COSOP was presented to the Executive Board. The CSPE covers the full range of IFAD support to Kenya, including lending

and non-lending activities (knowledge management, partnership-building, implementation arrangements, and country-level policy engagement), including grants, as well as country programme and COSOP management processes.

6. The **total lending portfolio over the past 7 years** amounted to USD542.2 million of which IFAD financed US$283.1 million. The portfolio includes nine operations at different stages of project life cycle (see table 2below). Four operations are completed, four operations are ongoing and one operation has just been approved in 2017. The closed operations were already assessed through independent evaluations, either PCRVs (CKDAP, MKEPP, SNCDP) or, in the case of the Smallholder Horticulture Marketing Programme (ShoMaP), through an impact evaluation. The CSPE does not re-rate those operations but use the existing IOE ratings. However, the closed operations will be reviewed from a thematic perspective as part of this CSPE.

7. For the ongoing operations IOE will assess performance according to all applicable IOE criteria once they have passed the point of MTR. This is the case for three operations (SDCP, PROFIT, UTNRMP) which will be fully assessed by this CSPE. Two operations are very recent and they will only be assessed for relevance (KCEP, ABDP).

Table 2
Evaluability of lending operations

Project name	*Project acronym*	*Project type*	*Project status*
Central Kenya Dry Area Smallholder and Community Services Development Project	CKDAP	Community development	closed
Mount Kenya East Pilot Project for Natural Resource Management	MKEPP	NRM	closed
Southern Nyanza Community Development Project	SNCDP	Community development	closed
Smallholder Dairy Commercialization Programme	SDCP	Value chain	MTR (2011)
Smallholder Horticulture Marketing Programme	SHoMaP	Value chain	closed
Programme for Rural Outreach of Financial Innovations and Technologies	PROFIT	Financial services	MTR (2014)
Upper Tana Catchment Natural Resource Management Project	UTNRMP	NRM	MTR (2017)
Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window[1]	KCEP	Value Chain	Disbursing
Aquaculture Business Development Programme	ABDP	Value Chain	Approved

8. The **grants portfolio** for the CSPE period (2011-2017) includes a total of 65 grants[2] with a value of over US$155 million.[3] IFAD's financed a total of US$62.9 million or 41 per cent. Twenty-six grants were co-financed. Partners such as the European Union (EU), centres of the Consultative Group for International Agricultural Research (CGIAR), United Nations (UN) agencies, non-governmental organizations (NGOs) and national development agencies contributed a total of US$92.3 million or 59 per cent to the grants portfolio.

[1] KCEP started with EU funding alone in 2013 in Western Kenya for maize farmers. It was then expanded to cover Eastern Kenya and sorghum and millet in ASAL areas in 2014 with an IFAD loan (termed KCEP- (CAL) : Climate Resilient Agricultural Livelihoods. This report uses the acronym KCEP to cover both investments.
[2] Grants covered are those: (i) whose date of completion is after 1st January 2011 and date effectiveness is by December 2017; (ii) having Kenya among focus countries (it implies that grants having the recipient based in Kenya but not being implemented in the country were not taken into account). Also, grants contributing to finance investment projects were not included
[3] For grants in EUR, amounts were converted in US$ using the exchange rate at 10/01/2018

9. Three grants only were country specific and two under the GEF window. The largest country grant in terms of financing was the 2000001524 (IAP Establishment of the Upper Tana Nairobi Water Fund - UTNWF) under the GEF window, with an overall budget of over US$33 million including an IFAD financing of US$7.2 and US$26.4 co-financing by several partners.[4].

10. **Thematic issues and CSPE focus.** Four thematic areas have been assessed as part of this CSPE (See Box 1 below).

Box 1
Thematic issues

Value chain development. Under the 2013 COSOP IFAD moved towards adopting a full value chain approach. These covered five projects (SHoMAP, SDCP, KCEP, ABDP and PROFIT). The CSPE reviews whether the adoption of a value-chain approach facilitated more effective use of various support instruments, better private sector involvement and women, youth and the poor participation. The CSPE findings will also provide an input into the ongoing CLE on value chains

Rural finance. The Kenya country programme has pursued a number of different approaches to rural finance, with varying levels of success. These covered community Financial Services Associations (FSAs), through banking intermediaries such as Equity Bank, and leveraged commercial funds for small scale producers and agro-dealers. The CSPE reviews the relevance and effectiveness of the different intervention models. PROFIT provides an interesting case on how to address challenges within the institutional and policy frameworks which will also inform the ongoing IOE evaluation synthesis on inclusive rural services.

Natural resource management and climate change. The CSPE reviews to what extent the synergies between the MKEPP and UTNRMP were realised led to a more sustainable management of land and water resources. Climate change in Kenya has resulted in increasing occurrence of extreme weather effects of drought, erratic rainfall, and floods. IFAD supported various activities to mitigate the effects of climate change, and the CSPE will review the extent to which IFAD-supported interventions have contributed to greater resilience in agricultural livelihoods.

Implementation arrangements. Issues around multi-tier and multisector implementation arrangements were highlighted by the 2011 CPE. Since then, devolution has fundamentally transformed the relationship between central government and counties. The CSPE explores under Efficiency how these and other factors have led to serious start-up delays for most projects in the portfolio and what solutions may be found.

11. **Methodology:** The CSPE followed the IFAD Evaluation Policy[5] and the IFAD IOE Evaluation Manual (second edition 2015).[6] The approach paper for this CSPE, including the evaluation framework and key issues for focus, served as a further and specific guidance for the exercise. The evaluation was multi-level, examining individual **operations**, the **portfolio** as a whole (lending and non-lending) and the broader **country strategy** in terms of adherence to the last COSOP and pursuit of IFAD's corporate goals.

12. An **evaluation framework** was prepared (annexes VII and VIII) in order to guide the collection of evidence from documents, interviews, focus groups and observation. The framework includes the common IOE evaluation criteria, and covered three areas: lending, non-lending and COSOP. The loan projects are assessed using the common IOE evaluation criteria.[7] For the non-lending activities, performance on policy engagement, partnerships and knowledge management are assessed and rated separately and an overall rating given. Performance of partners

[4] Financiers include: The Nature Conservancy, beneficiaries, the private sector and local NGOs
[5] http://www.ifad.org/pub/policy/oe.pdf.
[6] http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.
[7] The 2017 Agreement between IFAD Management and IOE on the Harmonisation of IFAD's independent evaluation and self-evaluation methods and systems establishes the most up-to-date set of evaluation criteria. IFAD. 2017. Annex I pg. 5

(IFAD, Government) is assessed and rated. Finally, the findings from the three building blocks are synthesised as country strategy and programme performance and overall ratings for relevance and effectiveness are awarded.

13. **Sampling grants**. The CSPE identified a sample of 21 grants for close review (see annex V for the list of grants considered for the analysis). The selection criteria for inclusion included: (i) thematic focus (coverage of main themes, relevance for the COSOP or IFAD's strategies); (ii) linkages with the investment portfolio; and (iii) implementation period (recent, on-going and closed grants or grants covering more than one phase). Criteria for exclusion included: (i) implementation period (too old or too recent grants); (ii) financing (non-IFAD financed grants); (iii) availability of information.

14. **Field Assessments**: The CSPE conducted an **asset verification exercise** during the fieldwork. This involved recording the condition on assets and the level of use and ownership by the beneficiaries using a standard format. 25 assets were assessed across six projects by the team (annex XI). A **telephone survey** was also conducted of a sample of dairy groups supported by SDCP to collect contemporary data on group membership and finances, milk production, herd statistics and assets. 118 groups were interviewed across nine counties. Annex X contains the results.

15. **Process:** The CSPE started with a preparatory mission in March 2018 and the development of an approach paper based on document review. Annex XIV contains a list of selected documents. The main mission then took place from 4th to 25th June. A kick off meeting with PCU staff was held on 6th June. Field visits were undertaken by three teams to five counties.[8] In each county, the team interacted with key stakeholders including county and IFAD project staff, farmer organisations and individual farmers. Three focus group discussions were held on three thematic areas: value chains, natural resource management and youth in agriculture. Annex VI presents a list of people met. The team presented emerging findings at a wrap-up meeting on 25th June 2018 chaired by National Treasury and attended by representatives of relevant agencies and IFAD staff.

16. Following internal review, this draft CSPE report was presented at a national workshop in Kenya in December 2018. Key points emerging from the discussion are included in the Agreement at Completion Point (ACP). The ACP will be attached to the forthcoming Kenya COSOP that will run from 2019 to 2022. The final CSPE report was presented by IOE to the Evaluation Committee in 2019. The entire CSPE process was conducted in close consultation with stakeholders in Kenya and IFAD's Programme Management Department.

17. **Limitations.** During field visits, county coverage was reasonable based on purposive sampling of both medium to high potential and ASAL areas, but greater time would have allowed more comprehensive coverage of areas supported by CKDAP, KCEP and MKEPP.

18. There were challenges in accessing reliable data from project M&E systems and the COSOP review process. For example, while sex-disaggregated data is often reported by project completion, it is not always captured early on in progress reporting. Comparable financial data from the banks and credit agencies under PROFIT contained major gaps. The quality of reporting on gender issues in IFAD missions has been mixed.[9] This limits the analysis of data and the timely visibility of gender issues in implementation.

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[8] Nakuru, Kisii, Nyamira, Embu and Kitui – covering both closed (SNCDP, MKEPP) and ongoing projects (UTNRMP, SDCP and KCEP)

[9] When a gender and social inclusion expert is present on the missions, reporting is exemplary. However most missions have not included an expert and reporting on gender has been incomplete.. A gender and social inclusion expert was present on only 4/15 missions for SDCP, 2/14 missions for SHoMAP and 3/14 missions for PROFIT. UTNRMP is the notable exception, with a gender and social inclusion specialist on 5/7 missions and high quality reporting on gender issues

Key points

- This is the second CSPE for Kenya covering two COSOPs (2007 and 2013). The first CPE was completed in 2011
- The portfolio reviewed includes four completed operations, four ongoing operations and one operation just approved, as well as 65 grants. Four themes were examined: value chains, rural finance, natural resource management and climate change, and implementation.
- The CSPE field mission took place in June and five counties were visited.
- There were a number of limitations to the evaluation including limited field time and access to reliable data.

II. Country context and IFAD's strategy and operations for the CSPE period

A. Country context

19. Kenya is an equatorial country in East Africa with a varied **geography** from snow-capped Mount Kenya to fertile farmland, lakes, flat arid plains and desert. The Rift Valley bisects the country into east and west. Dryland areas, known as the arid and semi-arid lands (ASALs) are characterized by low and erratic rainfall. They stretch from the north-west of Kenya across to the east, making up more than 84 per cent of the country's total land mass of 571,416km.The remaining landmass is of high and medium agricultural potential with adequate and reliable rainfall.

20. Between 2000 and 2016, the Kenyan **population** steadily increased by around 2.5 per cent or 1 million annually, from 31.5 million to 48.5 million people.[10] The majority of people live in the central and western regions of medium to high agricultural potential, while 36 per cent reside in the ASALS.[11] Although the prevalence of poverty is higher in the ASALs, the absolute number of people living in poverty is higher in the central and western regions.[12] In 2016, 36 million people representing 74 per cent of the population inhabited rural areas.[13] Although this proportion is decreasing each year, the absolute number of rural dwellers is increasing.

21. **Political risks** in Kenya remain ever present. The country became a multiparty democracy in December 1991, but it was not until March 2013, that the country saw a peaceful election. The widely reported 2008 post-election violence saw over one thousand people die and hundreds of thousands displaced. Since then, political elections have been less violent but still surrounded by turmoil. The current President, Uhuru Kenyatta, was sworn in for a second term at the end of 2017 after initial results were annulled. The repeat elections were boycotted by the main opposition party and set amid sporadic violence and ethnic tensions. The growing youth population coupled with its high rate of unemployment represent a significant risk to socio-political stability. Terrorism has also surfaced with the Somalia-based Al Shabaab group responsible for the 2013 attack in Westgate in Nairobi, and the 2015 Garissa University massacre in north-eastern Kenya. Internal security issues driven by ethnic and political differences as well as prolonged periods of drought (2008–2011 and 2014-2018) and land tenure insecurity,[14] have led to the forced displacement of an estimated 138,000 Kenyans at the end of 2016, with 25,000 new IDPs in 2017.[15]

Economic, agricultural, and rural development processes

22. Kenya became a **low middle-income country** in September 2014 and is now the 6th largest economy in Sub-Saharan Africa.[16] It is a key regional player in East Africa and a major communications and logistics hub in Sub-Saharan Africa. In 2017, GDP per capita was USD 2,926.[17]

23. Recent annual economic growth from 2011 to 2016 of between 4.5 and 6 per cent has made Kenya **one of the fastest growing economies** in Sub-Saharan Africa. Growth rates have been volatile, however, ranging between 0.2 per cent in 2008 to 8.4 per cent in 2010[18]. The reasons are mainly internal: political instability, which has affected the tourism sector, and declining private sector access to credit have both limited economic activity; and, drought has hindered agricultural output (the

[10] World Bank 2018
[11] Ministry of Devolution and Planning 2016
[12] Kenya National Bureau of Statistics. 2018.
[13] World Bank 2018
[14] ODI 2017
[15] Internal Displacement Monitoring Centre 2018
[16] World Bank 20182014
[17] World Bank 2018. GDP per capita, PPP (constant 2011 US$)
[18] World Bank 2018

single highest contributor to GDP) and hydropower generation, increased inflation and reduced household consumption. External factors also play a role, to a lesser extent: declining agricultural exports and rising capital goods imports (linked to oil exploration); and food and fuel price rises.[19]

24. Over the last decade, growth has mainly been driven by services (accounting for 72 per cent of the increase in GDP from 2006-2013[20]), namely, telecommunications, finance and tourism.[21] However, economic growth has not translated into improved livelihoods for most Kenyans. Services account for only 29.5 per cent of employment amongst those of working age, compared to agriculture and industry, where growth has slowed, that account for 61.9 per cent and 8.6 per cent of employment respectively.[22] Other reasons for economic expansion include low oil prices, strong remittance inflows (2 per cent of GDP, amounting to USD 1.7 billion in 2016[23]), and government-led infrastructure development initiatives.[24]

25. In 2017, over half of the population were of working age and 11 per cent of them were unemployed.[25] Unemployment is decreasing at a slow rate (from 12 per cent in 2009) and levels remain high. **Youth unemployment** at 22 per cent is double the overall rate for adults, in part because of a skills gap[26] as well as a general lack of new employment opportunities. The share of the working age population is expected to increase to two-thirds by 2050[27] making young women and men an important cohort in the economy. The majority of youth that are employed, work in the informal sector, which is characterized by job insecurity as well as under employment.[28] The consequences of youth unemployment, underemployment and inactivity are migration from rural to urban areas and increased rates of crime, drug use and general social unrest.[29,30] Unemployment, poverty and political marginalization are also reported to contribute to the radicalisation of some of Kenya's youth.[31]

26. Most of **private sector** GDP and employment comes from the agricultural sector, although this is declining relative to the service sector. Private sector exports are mostly a handful of globally competitive agricultural products (tea, cut flowers and leguminous vegetables), with limited value addition. Informal small businesses dominate the sector, employing the majority of workers compared to formal larger businesses that employ fewer people but generate a much larger output. Persistent challenges constraining private sector growth include infrastructure, regulation, security and politics.[32] Important reforms have been made in starting a business, dealing with construction permits, getting electricity, getting credit, paying taxes and trading across borders.[33]

27. **Agriculture** remains the backbone of the economy, employing nearly two-thirds of the working age population and providing a livelihood to 70 per cent of rural inhabitants.[34] Despite good growth in some subsectors such as horticulture, overall, agriculture saw its share of GDP decline from 26.5 per cent in 2006 to 22 per cent in 2014.[35] The crop, livestock, and fishery sub-sectors contribute 78 per cent, 20

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[19] World Bank 2016; World Bank 2017d
[20] World Bank 2016
[21] ODI 2017
[22] World Bank 2018
[23] World Bank 2018
[24] World Bank 2017c
[25] World Bank 2018
[26] AFDB, UNDP, OECD 2017
[27] World Bank 2012
[28] Brookings 2014
[29] Youth policy 2014
[30] Muiya 2018
[31] IRIN 2013
[32] AfDB 2013
[33] World Bank 2017b
[34] ODI 2017; FAO 2018
[35] World Bank 2016

per cent, and 2 per cent to the agricultural GDP respectively.[36] The sector accounts for 65 per cent of export earnings mainly through tea but also depends on imports, including wheat, maize and rice.[37] Mobile pastoralism dominates the economy in arid districts, while a more mixed economy is found in the better-watered and better-serviced semi-arid areas.

28. Kenya has not met either of the Comprehensive Africa Agriculture Development Programme (CAADP)[38] targets: annual growth in agricultural GDP was 4.8 per cent in 2017 compared to the target of 6 per cent; and the budget allocated to agriculture has been declining in relative terms since the financial year 2012/13 and is currently set to remain at a low 2 per cent of the national budget (see figure 1 annex VII) compared to the target of 10 per cent set by the Maputo declaration in 2003.[39]

29. Farming systems are mainly rain-fed and small scale, with an average of 0.2 to 3 ha of land and characterized by mixed crop–livestock systems and partial commercial production.[40] Various challenges, persistent and emerging, hinder agricultural production and restrict food and nutrition security. Long-lasting and recurring drought has a devastating effect on the mainly rain-dependent sector. On the 20 per cent of land that is arable, maximum yields have not been reached, owing to poor access to basic and improved inputs, modern production practices, such as irrigation, and financial and extension services.[41] The population increase of over 1 million people a year has resulted in shrinking land parcels in high agricultural potential areas, adversely affecting food production. This has also led to farmers that rely on rain-fed systems being pushed into drier, more marginal areas that are increasingly vulnerable to drought.[42] In 2016, the Fall Army Worm infestation in major growing regions destroyed thousands of acres of planted maize.[43]

30. Reports suggest that 70 per cent of the livestock herd are found in the ASALs, providing an important source of livelihoods for 90 per cent of its inhabitants. Although pastoralists produce the bulk of meat consumed in Kenya, poor access to inputs such as land, water and veterinary services, reduces herd quality and productivity. The dairy industry is the largest subsector in agriculture, growing at an estimated 3 to 4 per cent annually and contributing 40 per cent of agricultural GDP and 4 per cent of national GDP.[44] Between 70 and 80 per cent of the milk is produced by around one million smallholder farmers with mixed crop-livestock systems.[45] Pastoralists produce about 15 per cent of cattle milk, which is mainly consumed at home. 20 per cent of milk is produced by a growing group of medium to large-scale dairy farms.[46]

31. **Environmental degradation and climate change** pose major threats to Kenya's eco-systems, economic growth and sustainable development. The natural resource base is under stress from population growth, deforestation, coastal development and degradation of eco-systems from unsustainable use and poor governance of resources. The key climate change impacts in the country are drought and water scarcity, flooding and sea-level rise.[47] Increases in temperatures, the frequency of hot days, precipitation (particularly in the highlands and coastal areas) and dry

[36] World Bank & Centre for Tropical Agriculture 2015
[37] World Bank and Centre for Tropical Agriculture 2015; FAO 2018
[38] .Kenya signed the New Partnership for Africa's Development CAADP Compact on 24 July 2010
[39] this analysis does not consider the proportion of budget allocations to agriculture at individual county levels following devolution.
[40] World Bank & Centre for Tropical Agriculture 2015
[41] United States Government 2013. Feed the Future fact sheet. World Bank and Centre for Tropical Agriculture 2015
[42] FAO 2018
[43] World Bank 2017a
[44] (Kenya) Ministry of Livestock Development 2010
[45] (Kenya) Ministry of Livestock Development 2010; FAO 2011b; SNV 2013
[46] SNV 2013
[47] Kenya's National Climate Change Action Plan (2013)

spells (in the ASALs) are forecast to continue.[48] Resulting adverse impacts effect hydro-energy generation, agricultural production and food security, forestry, wildlife and tourism, among other sectors. The negative effects of climate change and rapid increases in population and the ensuing loss of pasture in pastoral areas have resulted in conflict over land and water resources. A growing number of pastoralists have dropped out of nomadic livelihoods and turned to settled communities, largely dependent on food aid.[49]

32. The Kenyan **financial sector** is the most developed in the region, reflected in the remarkable statistics on financial inclusion. Between 2006 and 2016, adults with access to formal financial services increased from 26.7 per cent to 75.3 per cent.[50] Mobile money services have proved key to furthering financial inclusion with usage expanded to 71.4 per cent of the adult population by 2016.[51] However, the supply of formal financial services in the agricultural sector remains low. Indeed, the remaining 17.4 per cent of people financially excluded are mainly: rural, female and informally employed or dependent.[52] Since 2010 a number of sectoral changes have occurred that affect the sustainability of financial services. Key among them is the interest-capping law, which became operational in 2016, which has shifted lending away from smaller borrowers.[53]

Poverty characteristics

33. Between 1990 and 2015, Kenya's human development index value increased by 17.3 per cent to 0.555, positioning it at 146 out of 188 countries and territories. The Index shows improvements in life expectancy at birth (by 3.4 years) and mean and expected years of schooling (by 2.6 and 2 years, respectively). Gross national income per capita increased by about 26 per cent over the same period.[54] The prevalence of adults living with HIV and AIDS also decreased from 10.2 per cent in 2000 to 5.4 per cent in 2016, mainly attributed to the rapid scaling up of HIV treatment.[55] Despite these achievements and good economic growth, poverty still remains high. Overall poverty at the national level and in rural areas decreased between 2005/6 and 2015/16 from almost 50 per cent to 36 per cent and 40.1 per cent of the population, respectively. Given the rapid increase in population over this period, the decrease in the number of rural people living in poverty was limited to 2.4 million, from 14.1 million to 11.7 million. Importantly, the proportion of rural people living in extreme poverty halved from 22.3 per cent in 2005/6 to 11.2 per cent in 2015/16. However the incidence of poverty varies considerably between counties.[56] Income inequality also remains a major issue. Between 2000 and 2017, the Gini coefficient steadily increased from 45 to 59.[57]

34. The Global Hunger Index[58] shows that although Kenya has made great strides between 1992 and 2017 to improve levels of **food security and nutrition**, they remain a serious concern.[59] The government's National Nutrition Action Plan (2012-2017), complemented by investments in agriculture, disaster-resilience, food-fortification and other areas have helped to reduce stunting in under-fives from 35.2 per cent to 26 per cent over that period.[60] But with still one quarter of under-fives, mostly in rural areas, stunted, Kenya has a way to go to reach its nutrition

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[48] Government of Kenya 2013b
[49] FAO 2018
[50] Central Bank of Kenya, Kenya National Bureau of Statistics & FSD Kenya 2016
[51] AFDB, UNDP, OECD 2017
[52] CGAP 2017
[53] Impact of Interest Rate Capping on Kenya Economy, CBK, March 2018
[54] UNDP 2016
[55] World Bank 2016; AFDB, UNDP, OECD 2017
[56] Kenya National Bureau of Statistics. 2018. 2015/16 Kenya Integrated Household Budget Survey Reports. March 2018.
[57] UNDP 2018
[58] The GHI is based on the measurement of 4 indicators - prevalence of undernourishment, child wasting, child stunting and child mortality
[59] UNDP 2016
[60] IFPRI 2018; Scaling Up Nutrition 2015; Scaling Up Nutrition 2018

target of 18.1 per cent by 2025.[61] Malnutrition and obesity in adults, from the consumption of foods low in fibre and high in fats and sugars, are also a concern.[62] The current drought from 2014 to 2018 has worsened the food-security situation for large parts of the country, particularly in the ASALs, with harvest, livestock and food prices adversely affected.[63] In the first quarter of 2017, 2.7 million people were classified as severely food insecure.[64]

35. Kenya has developed a comprehensive legal, policy and institutional framework to promote **gender equality and women's empowerment**. [65] [66] However, tangible benefits for most women are yet to be felt, particularly in rural areas. The 2017 Global Gender Gap Index shows that although performance has varied over the last decade, in the end, Kenya has maintained relatively good levels of equality in educational attainment and health and survival but made little progress in reducing inequalities in economic participation and political empowerment.[67]

36. In smallholder farming, rural women are heavily involved in agricultural production, processing and marketing yet they continue to lack access to crucial natural and productive resources (including land, credit, inputs and markets), compared to men. For example, they provide 80 per cent of farm labour and manage 40 per cent of the farms but own roughly 1 per cent of agricultural land and receive 10 per cent of available credit.[68] In addition, the patriarchal culture in some of the communities perpetuates harmful practices such as gender-based violence, widow inheritance[69], early marriage for girls and female genital cutting.[70]

37. Evidence suggests that **youth engagement in agriculture** is declining despite rising youth unemployment. Although youths are mainly present in production, they have lower access than their older counterparts to improved inputs, productive assets, such as land and credit, extension services, farmers' organizations and markets. Other barriers to youth engagement in agriculture include: their negative perception of agriculture-based livelihoods; a skills and knowledge gap; limited participation in agricultural innovations and research; and inadequate support for youth agri-preneurship.[71]

38. Long-running security risks in neighbouring countries maintain a significant **humanitarian situation** in Kenya. As at end January 2018, Kenya had 486,460 refugees and asylum seekers, mainly from Somalia (59 per cent), followed by South Sudan (23 per cent), the Democratic Republic of Congo (7 per cent) and Ethiopia (5 per cent). They reside in Dadaab refugee complex (49 per cent), Kakuma camp (38 per cent) and in urban areas, mainly Nairobi (13 per cent).[72] By now they resemble naturally-grown towns and have developed into commercial hubs connecting north-eastern Kenya and southern Somalia[73].

Rural governance and rural development policies

39. Kenya became a **multiparty democracy** in December 1991,[74] following internal and external pressures for greater democratic space. In 2010, a **new constitution** came into force that involved: reducing the President's power; abolition of the post of Prime Minister; an expanded National Assembly (to 350 seats, including special

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[61] Scaling Up Nutrition 2015
[62] Ministry of Public Health and Sanitation n.d.
[63] IFPRI 2018
[64] FAO 2017
[65] Legal ratification of international and regional conventions on gender equality, such as the Convention on the Elimination of all forms of Discrimination against Women and the African Union Solemn Declaration on Gender Equality, the 2010 Constitution of Kenya and the National Policy on Gender and Development (2000).
[66] NGEC 2017
[67] World Economic Forum 2017
[68] USAID 2015
[69] Whereby the widow is "inherited" by one of her late husband's relatives (e.g. brother)
[70] Katothya 2017
[71] Ministry of Agriculture Livestock and Fisheries 2017
[72] UNHCR 2018a
[73] UNHCR 2018b
[74] Commonwealth Secretariat 2018

seats reserved for women); creation of a Senate with 68 members; significant devolution of power to new county authorities; recognition of faith courts; a bill of rights; and creation of a supreme court, a new anti-corruption agency, and an independent land commission to promote land reform[75].

40. Set out by the new constitution, the **devolution** process to create a two-tier government has markedly changed political and economic governance in Kenya. Decision-making power and financial resources for many public services and some aspects of the business environment have been transferred to 47 county authorities. The process formally started after the March 2013 elections, and aims to: overcome regional disparities; give more autonomy and power to different counties and groups; and, improve governance (more public participation by, as well as responsiveness and accountability to, citizens).[76] A five-year County Integrated Development Plan (CIDP) was developed for each county to inform annual budget priorities. Although counties are reported to have successfully continued agricultural projects previously funded by national government, several shortcomings are reported. These include, low budget allocations to the sector in general; poor coordination between the national government with the counties and between the counties themselves; slow legislation of county laws; human resource constraints; and reduced support services and early warning systems for farmers.[77]

41. The Ibrahim Index of African Governance reports that from 2007 to 2016, **overall governance has improved** in Kenya, ranking it 13 out of 54 countries in Africa, with a score of 59.3 out of 100. [78] Improvements have been recorded across the board in safety and rule of law, participation and human rights, sustainable economic opportunity and human development. Yet, despite efforts by the new constitution to counter **corruption**,[79] it remains a long-standing and widespread concern. The 2017 Corruption Perceptions Index[80] shows Kenya's score over the past 5 years has been relatively static and still stands at 28, ranking Kenya 143 out of 180 countries.[81]

42. **Civil society** comprises a vast number of domestic and international non-governmental organisations. It has historically played an important role in poverty reduction, but its relationship with the government has not always been straightforward. Important apex **farmers' organizations** include the Kenya National Farmers’ Federation (KENAFF), representing 2 million farming families, and the Kenya Livestock Producers Association (KLPA), representing 1.5 million farmers and Cereal Growers Associations representing medium to large scale maize, wheat and barley producers.

Rural development policies

43. **Vision 2030** provides the long-term development framework from 2008 to 2030. It aspires to transform Kenya into an industrialized middle-income country where its citizens can enjoy a high quality of life. There are three pillars of the vision – economic, social and political governance. The economic pillar aimed to achieve and sustain an economic growth rate of 10 per cent per annum from 2012. Agriculture is one of the key sectors therein. The social pillar aims to build a just and cohesive society with social equity; identifying gender, youth and vulnerable groups as priority issues. The political pillar focused on public sector reform, including constitutional reform.[82]

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[75] Commonwealth Secretariat 2018
[76] World Bank 2015
[77] Africa Research Institute 2017; Tegemeo Institute of Agricultural Policy and Development 2016; World Bank 2015
[78] Mo Ibrahim Foundation 2017
[79] Transparency International 2017
[80] The CPI by Transparency International ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople, using a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean.
[81] Transparency International 2018
[82] Government of Kenya 2007

44. **Medium Term Plans** (MTP) operationalize Vision 2030 with key policy actions, reforms, programmes and projects that the Government will implement. So far, they include the first MTP (2008 to 2012), the second (2013 to 2017) and now the third (2018 to 2022) is currently under development. Under agriculture and livestock, top priority was given to increasing acreage under irrigation to reduce dependence on rain-fed agriculture. Other priorities included agricultural production mechanization, reviving cooperatives and farmers unions, and subsidizing farm inputs to raise productivity.[83]

45. The **Agricultural Sector Development Strategy** (ASDS), from 2010 to 2020, is the overall national policy document for the sector. The overall goal is to achieve an average growth rate of 7 per cent per year over the first 5 years. The overall development of the sector is anchored in two strategic thrusts: increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises; and, developing and managing key factors of production.[84] The ASDS is the umbrella document for many other national strategies, policies and legislation in the sector.[85] The ASDS is currently under review, with the intention of being renamed the Agricultural Sector Transformation and Growth Strategy (ASTGS) 2018-2028.[86]

46. Kenya signed the **CAADP Compact**[87] in July 2010. CAADP initiatives have been primarily concerned with public sector investments and sector-wide growth trends, along with work around the programs four pillars: sustainable land management and water control systems; rural infrastructure and trade-related capacities for improved market access; food security and nutrition; research and dissemination support. CAADP efforts, for example, have supported the development of Kenya's **Medium-Term Investment Plan for Kenya's Agricultural Sector: 2010-2015,**[88] which comes directly from the ASDS and describes public agricultural spending strategies and identifies the approach to meet CAADP's targets.

47. The main actor in the sector is the Ministry of Agriculture and Irrigation, divided into the State Departments of crops, livestock, research, irrigation and fisheries. The **Joint** Agriculture **Sector Consultation and Cooperation Mechanism** (JASCOM) was established in November 2016. The rationale was to set up a formal mechanism for the national and county governments to jointly pursue the development of the agricultural sector in line with national and international commitments.

48. The National Policy for the Sustainable Development of ASALs, from 2006 to 2015, was followed by the draft **National Policy for the Sustainable Development of Northern Kenya and other Arid Lands** (NPSDNKAL), in 2015/16. Three distinct but inter connected terms are covered - the ASALs, pastoralism and Northern Kenya - to enable a more nuanced policy response. This is because the arid counties are located in Northern Kenya and pastoralism is the dominant production system in the arid counties and in some semi-arid counties. However, not everyone in the north is a pastoralist.[89]

49. Other important policies that attempt to take account of **climate change** in the development of the agricultural sector include: the National Climate Change Response Strategy in 2010, the National Climate Change Action Plan, 2013-2017 and more recently the Kenya National Adaptation Plan, 2015–2030. Other key sub-sector policies and plan cover the National Nutrition Action Plan, 2012–2017; the

[83] Government of Kenya 2013a
[84] Government of Kenya 2010
[85] Such as National Food and Nutrition Security Policy; National Agricultural Sector Extension Policy Sessional Paper; National Agricultural Research System Policy 2012; and, National Agribusiness Strategy.
[86] Towards Agricultural Transformation and 100% Food Security in Kenya, ASTGS Overview , (Draft) April 19 2018
[87] Pan-African policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity for all.
[88] Government of Kenya n.d.
[89] Ministry of Devolution and Planning 2016

National Dairy Master Plan, 2010; the National Policy on Gender and Development, 2000; and the National AIDS Strategic Framework.

50. Since the 2017 elections, the President has launched a new national policy agenda termed the '**Big Four'** to guide the development agenda from 2018-22.[90] This includes agriculture and food security, which has three thrusts: increasing incomes, increasing value added production, and household food resilience (for ASAL areas). The Big Four agenda explicitly includes devolved government in the implementation of nine 'flagship' targets.

International Development Assistance

51. Between 2011 and 2017, Kenya received US$16.8 billion (constant 2015 US$ prices) in Country Programmable Aid.[91] Flows peaked in 2013, and slipped by US$500 million the following year. The largest bilateral donors between 2011 and 2015[92] were the USA, the UK and Japan, while the largest multilateral donors were the World Bank, the African Development Fund and the EU. While the USA has remained the top donor throughout the period, it has recently reduced funding (from US$725 million in 2013 to US$575 million in 2015) while the World Bank has substantially increased funding (from US$237 million in 2011 to 471 million in 2015).[93]

52. Figure 2 annex VII shows remittance inflows play an increasingly important role in the Kenyan economy. Both ODA commitments and remittance inflows have generally increased since 2004, but as GDP has grown, the proportion of ODA to GDP has generally declined, while the proportion of remittance inflows to GDP has slightly increased.

53. Bilateral ODA commitments by purpose to Kenya between 2011 and 2016 have been dominated by social infrastructure and services, which received nearly US$8 billion (58 per cent of ODA commitments). The production sector accounts for 6.3 per cent of ODA commitments in the same period, where the agriculture, forestry and fishing sub-sector represents 70 per cent (US$610 million) of ODA commitments dedicated to production.[94]

54. According to the Kenyan Agriculture and Rural Development Donor Group, the main multilateral donors supporting the development of the agricultural sector between 2011 and 2017 were the World Bank, the African Development Bank and the European Union. The main bilateral donors over the same period were the United States of America, Japan, Germany and the UK. Other important donors in the sector were the Netherlands, IFAD and the World Food Programme.

B. IFAD's strategy and operations for the CSPE period

Portfolio

55. Since 1979, IFAD has committed US$376 million in highly concessional loans to Kenya to support rural poverty reduction and agricultural development. IFAD has invested in 18 agricultural and rural development programmes and projects, funded by 20 loans (see annex IV). Four of these projects are ongoing, and one project was approved by the Executive Board in December 2017. The portfolio reflects a wide range of activities and sectors. It was mainly used for marketing and value chains (25 per cent of commitments), rural financial services and credit

[90] Policy Monitor, Issue 9 No 3, Jan0Marhc 2018 Realizing the Big Four Agenda. Kenya Institute for Public Policy Research and Analysis (KIPPRA). The "Big Four" agenda covers affordable and decent housing, affordable healthcare, food and nutritional security, and employment creation through manufacturing.

[91] Country Programmable Assistance is the proportion of aid that is subjected to multi-year programming at country level. It excludes spending which is unpredictable, entails no flows to recipient countries, aid that is not discussed between donors and governments, and does not net out loan repayments (OECD 2018).

[92] The latest OECD DAC data provides individual donor data up to 2015

[93] OECD 2018

[94] OECD 2018

(19 per cent), and aquaculture (13 per cent),[95] natural resource management (8 per cent) and technology transfer (6 per cent).[96]

Table 3
IFAD-financed projects in Kenya under evaluation (2011 – 2018 period)

Project name	*Board approval*	*Loan effectiveness*	*Project completion*	*Total cost* (US$ millions)*	*IFAD financing (US$ millions)*
Central Kenya Dry Area Smallholder and Community Services Development Project	07/12/2000	01/07/2001	31/12/2010	18.1	10.9
Mount Kenya East Pilot Project for Natural Resource Management	11/12/2002	01/07/2004	30/09/2012	25.7	16.7
Southern Nyanza Community Development Project	18/12/2003	10/08/2004	30/09/2013	23.7	21.5
Smallholder Dairy Commercialization Programme	13/12/2005	12/07/2006	30/09/2019	36.8	35.3
Smallholder Horticulture Marketing Programme	18/04/2007	23/11/2007	31/12/2014	26.6	23.9
Programme for Rural Outreach of Financial Innovations and Technologies	16/09/2010	22/12/2010	30/06/2019	83.2	29.9
Upper Tana Catchment Natural Resource Management Project	03/04/2012	23/05/2012	30/06/2020	68.9	33.0
Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window	22/04/2015	26/08/2015	30/09/2022	116.0	71.8
Aquaculture Business Development Programme	11/12/2017	19/06/1980	31/12/1989	143.3	40.0

56. **IFAD counterpart agencies.** IFAD's main counterparts in Kenya are the National Treasury, Ministry of Agriculture and Irrigation, Ministry of Water and Sanitation and Ministry of Environment. IFAD also engages with a wide range of partners in the public sector depending on project specificities, including areas such environment, natural resources; social services, gender and health; and local infrastructure and development. Given the various thematic areas in the portfolio, IFAD established partnerships with a range of local research and government agencies (such as the Kenya Wildlife Service (KWS), Kenya Agriculture and Livestock Research Organisation (KALRO), Kenya Forest Service (KFS), Kenya Meteorological Department (KMD), National Drought Management Authority (NDMA), Kenya Dairy Board (KDB), Water Resources Authority (WRA), Water Sector Trust Fund (WSTF)). In the past few years, IFAD has also reached out to local and international NGOs and financial institutions (such as BRAC and Equity Bank), as well as the Rome Based Agencies (FAO and WFP).

57. The **total portfolio financing over the past 7 years** amounted to US$542.2 million. IFAD financed US$283.1 million, and government counterpart contribution was US$53.6 million. Local private financiers and domestic financial institutions' contributions were worth US$51.9 million, and beneficiary contributions were US$84.9 million. International financiers contributed the remaining US$68.7

[95] The high level of funding for aquaculture is primarily due to the recently approved Aquaculture Business Development Programme (2017).
[96] IFAD GRIPS does not have sub-component financing data for 5 completed projects: Second Integrated Agricultural Development Project (completed 1989); National Extension Project (completed 1990); Animal Health Services Rehabilitation Programme (completed 1993); Coast Arid and Semi-Arid Lands Development Project (completed 1999); and Second National Agricultural Extension Project (completed 1997)

million. There were on average 5 ongoing projects under the period covered, though this has reduced marginally to 4.3 between 2015 and 2017. There is no substantial change in IFAD funding ratios of the major sectors financed between the overall portfolio and the portfolio under evaluation (figure 3 annex VII).

58. **Grants.** The vast majority of grants (59, or 91 per cent of all grants) were provided under the global/regional window and were worth US$115 million. The remaining 6 grants were funded under the country specific, Global Environmental Facility (GEF), or Other windows. The main thematic areas funded by the grants included marketing and knowledge management (KM), policy engagement, natural resources management, women and youth, farm technology, and support to farmers and producers' organizations (FOs). The vast majority of grant recipients were CGIAR centres, not for profit organizations and NGOs. They were followed by farmers and producers' organizations as well as research institutions.

Evolving strategy

59. **IFAD's engagement before 2002**. IFAD financed ten projects in Kenya between 1979 and 2002 that mainly covered agriculture development, research and extension, and livestock development. Three projects were initiated by the World Bank and co-financed by IFAD. One project was co-financed with the Belgian Survival Fund (BSF), 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. A review of IFAD and BSF investments in Kenya in 2001 signalled the need for a greater 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.

60. The **2002 COSOP** 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. It would achieve its goal by supporting community-identified and prioritized economic and social development activities. Four broad project themes were identified on (i) conservation and land use, (ii) community empowerment, (iii) rural technology adaptation and dissemination, and (iv) promoting smallholder marketing. The four projects that followed the adoption of the 2002 COSOP included the Mount Kenya East Pilot Project (MKEPP) for Natural Resource Management, the Community Development Project (SNCDP), the Smallholder Dairy Commercialization Programme (SDCP) and SHoMAP.

61. The **2007 COSOP** had as the overall goal the intensification, diversification, commercialization, and value additional in the production system. It had three clearly defined 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. This third objective was brought to fruition in the design of PROFIT in 2010.

62. The **2011 CPE** found that IFAD's participatory and bottom-up approaches and emphasis on community development, and grass-roots institution building had built ownership at the local level and enhanced the sustainability of benefits. A number of innovations had been introduced through IFAD-funded projects and there were examples of scaling up. However, the CPE noted that innovation and scaling up were not driven by a coherent agenda but were pursued on an ad-hoc basis. The CPE highlighted the highly varied nature of sub-sector activities financed with IFAD support in Kenya and the insufficient attention to policy engagement and partnerships with bilateral and multilateral agencies. It questioned the portfolio's focus on medium to high potential areas in the south

west while neglecting the economic potential in the arid and semi-arid lands, where around 30 per cent of all rural poor people lived at that time.

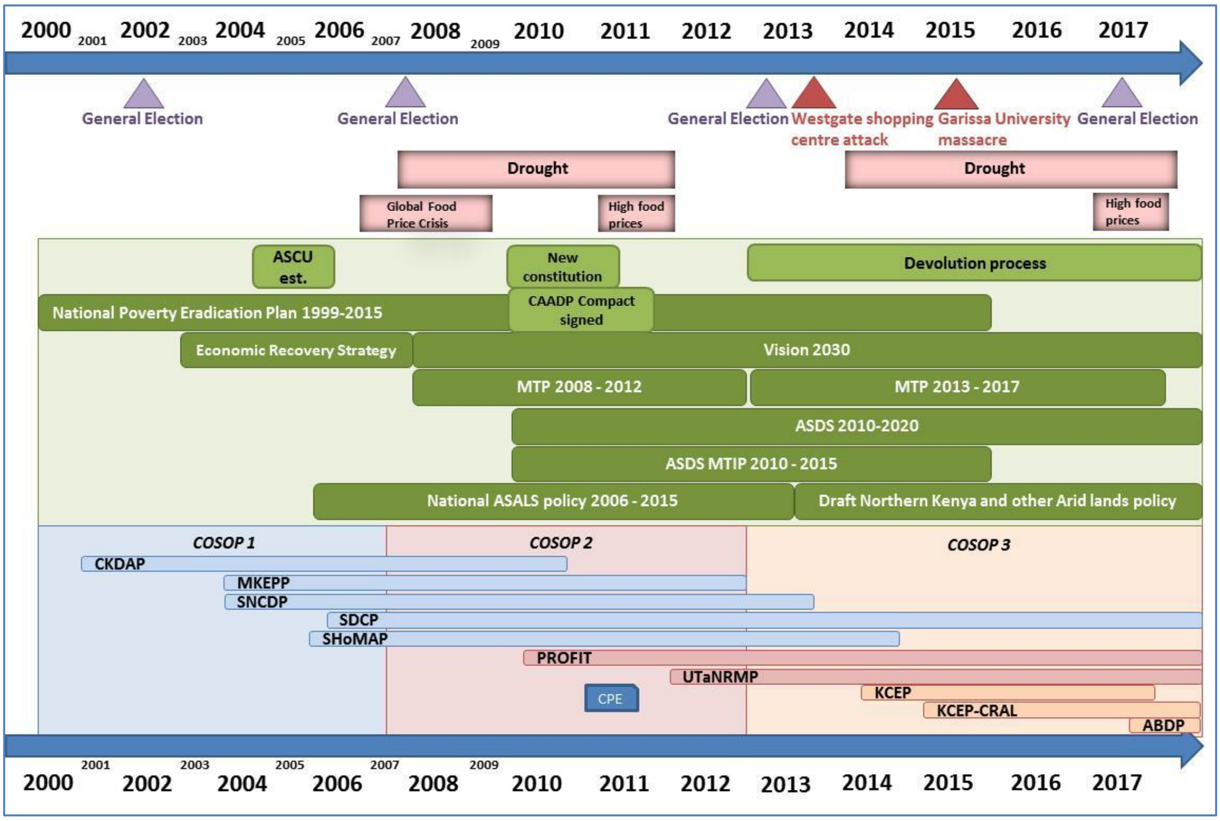
63. The CPE recommended strengthening the geographic and sub-sector focus on areas where IFAD has a comparative advance, including stronger focus on ASALs; building on the participatory and bottom-up approach but focusing efforts on commercialisation and business development; adopting an explicit focus on innovation and scaling up for wider poverty impact; enhancing complementarities and synergies between lending and non-lending IFAD activities; and finally for Government to strengthen its auditing, financial and procurement systems to ensure responsible use of IFAD loan funds.[97]

64. The **2013 COSOP** was prepared in response to the CPE recommendations. Its particular themes were agricultural intensification, value addition, market access and sustainable natural resource management (see table 1 annex VII for a comparison with the COSOP 2007). Its core target group remained vulnerable smallholder farmers and agro-pastoralists, including young people and woman-headed households. The three SOs were: (i) gender-responsive, climate-resilient and sustainable community-based natural resource management; (ii) access to productivity-enhancing assets, technologies and services; and (iii) access to improved post-production technologies and markets. The first SO specifically targeted the arid and semi-arid lands. The COSOP envisaged innovations for scaling up in particular in Natural Resource Management (NRM) and climate-change (CC) adaptation, but also linking pastoralists to markets and public-private partnerships along the agricultural value chain. Figure 1 presents a timeline of COSOP periods, projects, main national policies and key external factors.

65. The CSPE has developed a **theory of change** (Annex XIII) that describes the intervention pathways for each of the SOs from the 2007 and 2013 COSOPs through programme outputs to outcomes and impact including lending and non-lending operations against the COSOP objectives. Three impact pathways were defined that relate to three thematic areas of IFAD's operations in Kenya namely NRM/CC, value chain and rural finance. This evaluation assesses the results achieved within these thematic areas in terms of achieving the SOs.

[97] The country programme had been suspended in 1990s because of concerns over slow disbursement and poor portfolio performance (COSOP 2002, p.8).

Figure 1
Timeline of major policies and events over the three COSOP periods



Key points

- Kenya's population is growing at 1 million annually, and rising youth unemployment presents a central challenge for the country's development.
- The country faces critical risks around climate change, political uncertainty and terrorism, nevertheless, Kenya is now a low middle-income country with a fast growing dynamic economy.
- Although poverty has decreased, 40 per cent of people in rural areas are still poor.
- Youth unemployment is high and presents a significant risk to socio-political stability.
- Agriculture remains the main source of employment and livelihoods. The sector accounts for 65 per cent of export earnings mainly through tea. But budget allocations to the sector have fallen steadily and growth is below target.
- Devolution has been a key reform process since 2013. The policy framework in agriculture though well-defined has adjusted to this with new consultation mechanisms.
- Since the 2017 elections, the President has launched a new national policy agenda termed the 'Big Four' to guide the development agenda from 2018-22
- While IFAD is major provider of international assistance ($376m since 1979), its support is below the level of the World Bank, AfDB and the EU.
- IFAD has nine projects falling within the CSPE timeframe: four ongoing, four closed and one recently approved. It has also provided 65 grants the majority of which were either global or regional in scope worth $155m.
- The 2013 COSOP moved towards value chain investments, natural resource management, rural finance and technology transfer. It saw a reduction in broader rural infrastructure, health and water.

III. Lending portfolio

A. Performance and impact

Relevance

(i) Policy relevance

66. **Strategic alignment**. In broad terms, the IFAD projects covered by this CSPE reflect the Government policy agenda as it evolved during the period, as guided by the Vision 2030, the associated MTPs and the ASDS. The IFAD portfolio incorporates the centrality of the commercialisation of agriculture but also reflects the greater focus on ASALs.

67. Individual projects were in general well aligned with specific sub-sector government strategies. The earlier projects in the period such as CKDAP and SNDCP were in tune with national poverty reduction plans, and in the emphasis on local level participation and integrated development. Latterly, the value chain interventions sought to build more commercial agriculture while still targeting poverty. For example SDCP was developed within the contemporary livestock and dairy policies, while ShoMaP followed the MTP 2008-12 which aimed to "promote horticultural marketing models that respond to the needs of the industry". A strong community-led focus is a significant aspect of the earlier projects (CKDAP, SNCDP), reflecting IFAD's strength in participatory methods, while the commercialisation of farmer groups is a strong feature of the latter projects.

68. **Geographic focus**. More recent project designs have put a greater focus on the semi-arid counties (those with 30 to 84 per cent aridity) in the ASALs (figure 4 annex VII). This is in line with the recommendations of the 2011 CPE and the 2013 COSOP that targets agro-pastoralists located in these areas. It is also aligned with the Government's Vision 2030 Development Strategy for Northern Kenya and other Arid Lands (2012) and the recent NPSDNKAL (2018) that are based on the premise that the ASALs have enormous untapped resources that can be harnessed to sustain resident communities and contribute to national development. The portfolio does not however focus on the arid counties as per the 2013 COSOP, except for Kitui and Samburu in PROFIT, which was designed prior to the 2011 CPE. Nor does the pastoralist community receive the attention anticipated in the 2013 COSOP.

69. Although the geographic focus of the portfolio has changed since 2012, the level of funding (total and per county) allocated to high and medium agricultural potential areas and semi-arid lands (with 10 to 29 per cent aridity) is higher, owing to the increased size of projects designed since the 2011 CPE. Furthermore, the most recently designed project, ABDP, does not have an ASAL focus but aims to support aquaculture nationally and in counties with a high aquaculture potential.

70. **Sector focus.** The evaluation period entailed an important shift from area-based community-led projects (SNDCP, CKAPD) to sector focused projects (in horticulture (SHoMAP), cereals (KCEP), dairy (SDCP) and aquaculture (ADBP)). This move followed the CPE 2011 and COSOP 2013 that promoted a switch in emphasis to a commodity-driven, value chain approach with stronger private sector engagement. This reflects IFAD's own growing emphasis on value chains, although it did place new emphasis on working with private sector actors, something that had not been a strong feature in project design hitherto. The emphasis on NRM for the poor was also sustained throughout the period with MKEPP and then UTNRMP.

71. **Rural finance**. PROFIT's main investment was to meet the low level of penetration of financial services[98] by providing an incentive to banks to increase their agricultural lending and to diversify their services to rural areas. PROFIT also provides limited funds to be used as a line of credit by deposit-taking micro-banks (DTMs) facing liquidity problems. PROFIT also funds business support services and pilots a financial graduation programme for the most vulnerable farmers.

[98] by commercial banks, Micro-Finance Institutions (MFIs), NGOs and SACCOs

72. PROFIT has found itself somewhat misaligned due to timing. It was a response to the 2007 COSOP objectives but due to delays in start-up and implementation, it has found itself operating mainly under the COSOP 2013, where rural finance is no longer an explicit priority. Nevertheless, its adherence to a value chain approach through its support for the financing of different stages of agricultural production can be said to appropriately underpin the value chain projects (by attracting commercial banks and micro-lending institutions to increase their agricultural lending portfolios).

73. Financial Services have been strongly aligned with IFAD and Government policies around the sub-sector. IFAD's 2001 and its successor the 2009 Rural Finance Policy, with its focus on the development of diverse, viable financial service providers that increase the long-term access of rural poor people to a wide range of financial services, is in general strong across the portfolio. At the micro level, too, projects have directed finance towards the productive potential of poor people and their organizations, while for the poorest, financial graduation and targeted savings have been followed.[99] Government's priorities are also clearly reflected particularly in expanding rural finance outreach through a value chain approach. Regarding smallholder priorities and needs, these are also reflected.

74. For **value chains**, there was a close fit with both Government and IFAD strategy. The Government's ASDS (2010-20) highlights the value chain approach as underpinning its subsector strategic focus related to market information, sustainable and competitive crop productivity and access to markets. IFAD has placed value chains at the centre of its rural development strategy and in the Strategic Frameworks (2011-2015 and 2016-25), value chains are seen as generating opportunities for increased incomes and employment both on-farm and off-farm. Its application to Kenya matched the strong market-led business-minded nature of its economy very well.

75. **Natural resource management**. The leading projects, MKEPP and UTNMRP, directly addressed sustainable management of water, forest and land resources and had high relevance to national and beneficiary needs in terms of reducing poverty by improving access to resources though community-based plans. UTNRMP built on MKEPP's pilot work and matched well Government's policy reforms to reduce environmental degradation.[100]

76. CKDAP and SNDCP too built in water and agro-forest management and soil conservation measures and KCEP stresses these aspects. SDCP inculcated NRM issues to some extent (through tree nurseries and biogas) but attention to the potential for water pollution, and for negative impacts from milk disposal and effluents, as well as zero grazing practices was less strongly addressed.[101]

77. **Alignment with ongoing devolution.** Project designs were not always well aligned to the emerging devolution processes, and they have had to be adjusted during implementation to reflect political realities and in particular the growing influence of county governors and their administrations**.** Over the evaluation period, the IFAD portfolio has been faced with a major change in the role of central and local government following the 2010 Constitution. On paper the direction has been clear, but the practical problems of implementing the new devolved government arrangements have been considerable. As detailed in the 2016 Policy document, there are a large number of actions to take place over the 2017-2020 period.[102]

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[99] SNCDP aimed to build group capacity for deposit collection through CFSAs, although sustainability and exit strategies were not considered. SHoMAP too aimed to increase incomes of the rural poor through improved access to and utilization of appropriate technologies, markets, and community owned productive and social infrastructure.
[100] including the Forest Act (2005), the Environmental Management and Coordination Act (2012)and the new Constitution which provided an enhanced framework for NRM, including the provision that the "state shall work to achieve and maintain a tree cover of at least 10 per cent of the land area of Kenya".
[101] SDCP MTR
[102] Policy on Devolved System of Government, Ministry of Devolution and Planning, October 2016.

78. Devolution has been accompanied by the creation of new counties and sub-counties.[103] This was accompanied by the need to incorporate project activities into emerging CIDPs, and to align IFAD project priorities within the growing capacity of county budgets and staffing.

79. The ongoing devolution processes have at times made county-level coherence more difficult. Plans for county staffing support and coordination mechanisms have been subsequently disrupted by changes in county boundaries and personnel. But there have been improving efforts to integrate project activities into CIDPs, for example with SDCP and KCEP, based on CSPE interviews with county government staff.

(ii) Targeting strategies

80. The portfolio used clear geographic targeting criteria to identify project target areas and each project included at least one criterion on poverty. The community driven development (CDD) projects of CKDAP and SNCDP included more poverty criteria, including levels of food security, malnutrition, access to water and sanitation and health facilities, health status, and prevalence of HIV/AIDS. The prevalence of HIV/AIDS was a highly relevant criterion at the time when the incidence of HIV/AIDS was growing. Of the two NRM projects, UTNRMP used a two-pronged approach mixing poverty criteria with criteria on the extent and risk of natural resource degradation. MKEPP focused more on poverty criteria that reflected the collapse of the coffee market, in an area with decreasing smallholder land sizes and productivity.

81. **Geographic targeting** criteria used in value-chain projects include poverty but logically put significant focus on existing and potential production levels and the availability of infrastructure for processing, market access and research. SHoMAP and SDCP stand out as value chain projects that give the highest weighting to poverty when ranking locations among other geographic targeting criteria. The finance project, PROFIT, is national and rural in scope, given that the bulk of rural men and women across the country do not have access to formal financial services, with priority given to areas with agricultural potential and a high incidence of poverty. The wide geographical coverage of SHoMAP spread resources too thinly and a smaller and more concentrated coverage would still have provided lessons for scaling-up.[104] KCEP included a detailed set of targeting criteria, including poverty incidence, gender inclusiveness and specific criteria for subsistence farmers and farmers ready to graduate to commercial operation.[105]

82. There has been tension between the objectives of commercialisation and poverty targeting in IFAD's value chain approach. For instance, the geographic targeting of SDCP was based on selection of districts with a poverty incidence of 46 per cent and more. However, this brought into the programme areas with high poverty levels which proved not to be very conducive for dairy commercialization. Adoption of commercial dairy production technologies requires some level of investment from the dairy farmers which for many 'resource poor' farmers is a challenge.[106] In the case of SHoMAP no such challenge was observed given that the project did not presuppose substantial increases in investment by farmers.

83. **Gender targeting** has varied in quality compared to the IFAD instruments to mainstream gender in its projects over the years,[107] but generally improved over time. The earlier projects of CKDAP, MKEPP, SDCP and to a lesser extent SNCDP

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[103] For example under SNDCP six new districts were created within the project area, and for SDCP, by 2011, 22 new counties had been were created out of the original nine in 2006.
[104] IFAD 2012, Supervision April 2012 and MTR 2012
[105] PDR, 2013, para 30
[106] SDCP PCR
[107] The main instruments concern the IFAD *Gender Plan of Action (2003-2006)*, *Framework for gender mainstreaming in IFAD's operations* (2008) and the *Policy on Gender Equality and Women's Empowerment* (2012).

relied to a certain extent on an inherent gender focus in development activities[108] rather than specific targeting mechanisms and operational measures to reach women. Although weaknesses in gender strategies were in most cases addressed during implementation, opportunities to promote gender equality to the full extent possible were missed. Gender strategies in the design of later projects (SHoMAP, PROFIT, UTNRMP, KCEP and ABDP) are comprehensive, covering the critical areas of gender analysis, gender-responsive targeting mechanisms and operational measures and gender-sensitive M&E.

84. The loan portfolio has largely followed (implicitly or explicitly) IFAD's three-pronged approach to promote the economic empowerment of women and men, their equal voice and influence in rural institutions, and an equitable workload balance between women and men. The latter objective was not integrated into the design of SHoMAP despite the longer-working hours of women compared to men being identified as a gender issue.[109]

85. In line with IFAD's more recent move from gender mainstreaming to gender transformative approaches[110], KCEP, ABDP, SDCP and UTNRMP include the implementation of Household Methodologies in beneficiary groups. This methodology aims to tackle the root causes of inequalities – social norms, attitudes and behaviours - to improve gender relations and promote equal social and economic opportunities between men and women.[111]

86. **Targeting of youth.** The quality of targeting mechanisms to reach youth has improved overtime from very low to satisfactory. The targeting of youth was notably absent in the design of SHoMAP in 2007 following the identification of youth as a target group in the 2007 COSOP. Although PROFIT aimed to target youth the design did not include targeting mechanisms to reach them, other than a quota for youth representation among beneficiaries. The design also lacked specific operational measures or data collection and reporting on youth. The subsequent five projects (including the updated design of SDCP) have targeted youth better, using quotas (SDCP, KCEP) and support to youth groups (SDCP, UTNMRP, ABDP).[112]

87. **Poverty targeting.** Beneficiary targeting and poverty focus have become more comprehensive. Earlier project designs primarily relied upon participatory approaches and geographic targeting to reach the project target group including poorer and more vulnerable sub-groups. It was also assumed that the demand-responsive nature of project activities, such as primary health care, water and sanitation and small livestock production would reach and benefit the whole target group. However, it became clear from CKDAP, MKEPP and SNCDP that better targeting mechanisms were required to reach the poorer and more vulnerable households and to avoid elite capture.[113] Since then, more comprehensive targeting strategies have been designed in projects with a mix of measures to reach different sub-target groups. On the whole, the relevance of these measures has been satisfactory to reach the core target group, but more mixed in reaching the poorer and more vulnerable groups.

88. For example, in addition to directly targeting dairy farmers' groups, SDCP aimed to reach poorer smallholders, in particular women, through a dairy goat scheme. It was appropriate owing to the minimal capital investment, feed and land required to look after the goats as well as the nutritional benefits and potential for income generation. However, the updated design of SDCP discontinued the dairy goat

[108] Such as primary health care, drinking water and sanitation and income generating activities from agricultural and livestock development.
[109] The design expected that the increase in employment opportunities would enable more women to be employed, in piece-work, with flexible working hours, which would fit in with family duties. Activities to reduce their workload, at home or on-farm, would have enhanced the project's promotion of gender equality and women's empowerment.
[110] IFAD (2016) Gender mainstreaming in IFAD10 https://www.ifad.org/web/knowledge/publication/asset/39614616
[111] IFAD (2014) Toolkit on Household Methodologies https://www.ifad.org/web/knowledge/publication/asset/39409831
[112] In line with the 2007 and 2013 COSOPs as well as the national ASDS and the subsequent Youth in Agribusiness Strategy (2016) that highlights the need to address youth migration from rural areas through interventions in agriculture.
[113] IFAD 2007 COSOP

scheme and solely focused on better-off dairy farmers already producing a surplus for market. Although this move was relevant to achieve the commercialisation objective it significantly reduced the poverty focus of the project.

89. PROFIT too included relevant targeting mechanisms to reach poor men and women, including establishing partnerships with organisations already operating in target areas and targeting vulnerable groups, linking social protection to microfinance and supporting rural Savings and Credit Co-operative Organisations (SACCOs) to improve their governance systems to enable more equitable access to financial services among members. The programme includes a financial graduation sub-component that solely focuses on the poor, women and youth. PROFIT’s design was not very clear in terms of how commercial banks under the risk sharing modality would have the capacity and incentives to be able to reach the poor.[114]

90. KCEP has relevant eligibility criteria to identify poor smallholders to participate in step 1 of its graduation strategy but the criteria of subsequent steps are overly ambitious and risk excluding the poorer and more vulnerable farmers.[115] SHoMaP’s primary focus was on smallholder horticultural farmers, but it did not include specific measures to also target poorer groups in communities, besides through employment-intensive, labour-based infrastructure rehabilitation and construction.

91. The designs of UTNRMP and ABDP include comprehensive targeting mechanisms to reach their respective target groups. Learning from MKEPP, specific measures were designed into UTNRMP to reach the most vulnerable, for example, by waiving or varying contributions to access small grants and by using wealth ranking during beneficiary selection. Similarly, the design of ABDP includes targeting measures to improve the inclusion of vulnerable groups such as unemployed youth, the elderly, widows/orphans and the disabled. These include providing economic opportunities, mainly in processing, to attract both men and women as well as the vulnerable, and affirmative action to include vulnerable groups (including quotas for example).

92. **Participatory and bottom-up approaches** have been well integrated into the portfolio's project designs and have been instrumental in initiating dialogue with communities, understanding people's needs and identifying beneficiaries and empowering them to participate in and influence development planning and implementation. Consistent attention was placed on the participatory mobilization and sensitization of communities and rural stakeholders by local authorities and project staff to communicate project objectives and potential activities.[116]

93. To ensure the effective implementation of these approaches, capacity building of local government staff was also included in design. In the NRM projects, participatory development planning spanned different intervention areas. For example, in UTNRMP, the water resources users’ association (WRUA) at the river basin level would be assisted to develop their sub-catchment management plans in consultation with communities dependent on the natural resources of the catchment, and Community Forest Associations (CFAs) would be empowered to consult communities living along the margins of forest reserves to develop forest management plans.

94. Importantly, the designs of value chain projects continue to promote open and participatory approaches during: the selection of value-chain commodities; the community-based selection of beneficiaries and farmers' groups and the preparation of group or community action plans. Lastly, participatory market

[114] On implementation, design of the Business Support Services (BSS) sub-component was revised to include capacity building for the participating financial institutions to develop appropriate financial products for reaching smallholder farmers.
[115] To graduate between steps, farmers must significantly increase the size of land under cultivation, yields and financial contributions, which seems unrealistic in the allocated time not least with the risk, and recent occurrence, of drought.
[116] The earlier CDD projects, CKDAP and SNCDP, and the NRM projects, MKEPP and UTNRMP, planned Poverty Rural Appraisals to prioritize community needs and help communities and local authorities to develop feasible Community Action Plans CAPs) at the Focal Development Area (FDA) to be implemented by the project.

research was designed in PROFIT to develop pro-poor and gender-sensitive financial services and products that meet the priority needs of the target group.

95. **Nutrition.** The country portfolio has put an increasing focus on designing nutrition-sensitive projects, in line with Kenya's national policy and action plan on nutrition and the latest policy developments in IFAD.[117] In ABDP, nutrition is included in the overall goal, development objective and at the outcome and output levels of the logframe, with corresponding indicators, including on dietary diversity for households and women. Community nutrition initiatives aim to improve the diet quality of the target group through support to fish and nutrition knowledge, curriculum and training materials and the promotion of improved nutrition through fish fairs and a school fish feeding programme.

96. KCEP, SDCP and UTNRMP include indicators to measure nutrition at impact level in the logframe as well as nutrition-sensitive activities. However, the project objectives do not explicitly refer to nutrition, nor do the logframes include other indicators to monitor progress on nutrition. The design of KCEP in 2015 updated the 2013 design of KCEP into a nutrition-sensitive project. IFAD's partner, WFP, aims to support food insecure farmers to adopt diversified livelihood coping measures. In addition, nutrition activities would involve how to plan a diversified and balanced diet and how to improve household food management.

97. In the updated design of SDCP, nutrition activities include linking the increased availability of manure through increased livestock production to the establishment of kitchen gardens, promoting increased dietary diversity to address micronutrient deficiency and improving nutrition knowledge, attitude and practice. The design of UTNRMP includes nutrition in the community participatory planning process, the possibility of implementing kitchen gardens, improving household access to safe drinking water, the diversification of income-generating activities and several natural resource management activities that have the potential to improve nutrition (through soil fertility enhancement, improved crop varieties for soil fertility and erosion prevention).

(iii) Complexity of project designs

98. The need to reduce complexity of design was an important message from the last CPE and COSOP. This arose from the delays and difficulties encountered in earlier IFAD projects in establishing and managing multiple partnerships and in working across multiple sectors (from health, water and roads to agriculture and rural finance). Three of the value chain projects have been responsive to this issue by focusing on single sub-sectors (dairy, horticulture and most recently aquaculture). However, the approach taken in KCEP has been different with a much more complex design in several aspects (see Box 2 below). Equally, PROFIT is a relatively complex and ambitious design involving different credit mechanisms, nationwide coverage, a varied range of implementing partners from NGOs, micro-finance banks and commercial banks, technical service providers.

Box 2
KCEP design complexity

KCEP began in 2013 as an EU financed IFAD-managed project targeting the maize value chain in Western Kenya. A second phase (KCEP-CRAL) in 2015 then expanded the project to cover two further value chains (millet and sorghum) in the more demanding ASAL areas. Three Rome Based Agencies (RBAs) are involved (WFP providing food-aid to subsistence farmers, IFAD then providing support to farmers with potential for crop surpluses, and FAO providing technical support and training). Nine further partners were designated in the design to cover support for inputs, credit, marketing, extension,

[117] IFAD10 (2016-2018) commitments are that 100 per cent of COSOPs and 33 per cent of projects will be nutrition-sensitive by 2018. The IFAD (2015) Action Plan for Mainstreaming Nutrition states that a nutrition-sensitive project has explicit nutrition objectives, activities and indicators. It will also have considered the impact pathway through which it can maximize its contribution to improving nutritionhttps://webapps.ifad.org/members/eb/116/docs/EB-2015-116-INF-5.pdf

research and crop insurance.

The project introduced a credit-in-kind system using e-vouchers run by Equity Bank through agro-dealers to help farmers obtain seeds and inputs. The system follows a graduation model - for sorghum and millet this foresees farmers contributing 10 per cent, 40 per cent then 70 per cent of the package costs over three seasons. The project also follows conservation agriculture principles, building farmer organisations as value chain actors, introducing a warehousing receipts system to aggregate production, as well as road spot repairs to ease access to markets. Yields were expected to double (based on KALRO research figures) in three years.

KCEP therefore draws together several important strands that taken together arguably present a major implementation challenge – these include climate smart agriculture, climate monitoring, contracted service providers for finance, third party supported inputs and research, and farmer mobilisation and extension by county governments.

Funds were designated to flow to the PCU and then to the service providers and not directly to the counties, even though devolution was occurring and counties were expected to have greater control of resources being used in their areas. To manage the programme, a large PCU staff consisted of 25 technical staff in the Nairobi head office and three regional sub-units.[118]

According to the PCU team, several of the above design issues have caused delays including: appointing the full PCU staffing, signing MOUs with partners, achieving the transition rate of the graduating farmers (only 40 per cent of farmers in Eastern areas have succeeded in graduating as expected), yield responses are lower than expected partly due to drought, validated quality seed has not always been available, and a warehouse receipts bill has not been passed by parliament. The expected graduation of farmers receiving WFP-food aid to becoming IFAD-supported has not been as expected – one issue being that the location of WFP food-aid farmers does not often overlap with the areas targeted for IFAD support.[119]

The most recent supervision mission report (Dec 2017) notes that while progress is being made in terms of outreach, there are major concerns over productivity, transition rates and low disbursement so giving an overall effectiveness rating of 3. The required multiple partnerships are being gradually established though several still require formalisation (such as with the Co-operative Bank).

99. There were three weak elements in the approach taken to value chain design: the lack of diagnostic analyses, overambitious targets and weak links to private sector actors. In terms of *analysis*, either a value chain diagnosis was missing or it was deferred to implementation and then done in a poor or incomplete way.[120].

100. In terms of over-ambition, KCEP crop models appear particularly ambitious expecting yield responses of 100 per cent in 3-4 years and a rapid transition to non-subsidised packages under risky semi-arid conditions. The plans also to transition from food insecure to farmers with commercial potential in three years was also unrealistic especially given the limited spatial overlap between WFP and IFAD-supported areas. Equally the complexity of engaging with multiple partners along the value chain was overambitious.

101. Ambitions were also high in rural finance. The shift from relatively minor rural finance sub-components in projects to a major new investment in rural finance with PROFIT represents a dramatic change in IFAD's approach from 2010. The design required substantial leveraging from private banks (US$50m), timely coordination of support services, and strong management from IFAD's new partner in the National Treasury, if the matching investments were to occur and the level of

[118] PDR Volume 2, p.77
[119] FAO verbal communication
[120] SDCP design (2005) stated that a value chain analysis was conducted as part of preparation, but there is no documentation to this effect; the first SM in 2007 calls for further analysis of market linkages between the key actors and the roles of private sector actors. For SHoMAP, diagnostic crop-specific analyses were to be undertaken at district level. The value chain analyses were however undertaken by inexperienced consultants, and considered intra-district physical and value flows only rather than a comprehensive picture of horticultural trade in Kenya.

planned outreach achieved. The complexity and high risk of this approach placed immense challenges on the PCU and its service providers, and led to serious delays and the project being put in IFAD's 'at risk' category in 2015.[121] In particular the expectation that commercial banks would have the capacity and incentives to reach the poor seemed unrealistic.[122]

(iv) Coherence of project designs

102. A good measure of coherence is whether project logframes have a sound internal logic and also reflect the most pertinent external conditions affecting delivery of outcomes. In general, the balance of funding between components in projects has been sound. There are examples of components that were cancelled due to implementation problems, with funds then reallocated, but these changes have been made in pursuit of the overall objectives.[123]

103. Project logframes generally reflect the strategic objectives of the COSOP such as addressing food security, enabling the poor to have better access to markets, emphasizing market-oriented production as a key avenue out of poverty while highlighting value addition and reductions in market inefficiencies. For NRM, too, MKEPP and UTNRMP were in line with the COSOP emphasis on sustainable access to and the maintenance and rehabilitation of natural resources.

104. Use of group approaches was a common and coherent method adopted in all project designs for channelling project support (training, credit, grants). Groups allowed poorer farmers to aggregate produce and share risk as they moved to more commercial production models. Graduation models also assisted coherent delivery so that as beneficiaries transitioned so they would receive relevant levels of support. There remain major challenges especially in higher risk environments such as in ASALs to find ways to lift poorer beneficiaries to a more commercially focused approach.

105. Coherence with other development initiatives has been mixed. Projects such as SHoMAP complemented JICA, UNWOMEN and USAID initiatives. However, they did not always use the analytical work e.g. from USAID to inform their design.[124] Under KCEP, design brought together a range of ASAL-related initiatives for example the DFID ASAP, FAO research on ASAL, WFP experience, EU funding, SIDA's work with NDMA, and Equity Bank experience on input vouchers.

106. The designs were not always coherent in terms of their methods to engage with relevant traders or suppliers. In SHoMAP for example the project chose to invest in expensive market structures that absorbed 61 per cent of project costs; some of them were not adopted or used due to an overemphasis on product supply rather than on how operators would run the markets or on how traders and processors would use them. The role of private sector actors in the diary value chain was also given less attention compared to the supply side.

107. There has been less success in linking across the IFAD portfolio itself.[125] In particular, PROFIT was to be linked to ongoing IFAD value chain projects, which made good sense especially as these projects did not have their own credit provision or had a limited credit programme that needed support. In general, there has been only limited follow up since mechanisms for these links were not

[121] The level of effort to coordinate a complex programme like PROFIT was underestimated at design. After the lifting of the susupension and recruitment of nine project staff in August 206, the programme was able to roll out all programme components.
[122] The MTR in 2014 found that external guarantees, such as the Risk Sharing Facility (RSF), had encouraged banks to engage in more lending. The 'anchor' model of risk sharing to large commercial actors expects that these would then include clients within IFAD's target group.
[123] For example the Poverty Alleviation Initiative in CKDAP and the Innovation Fund in PROFIT.
[124] PCRV ShOMAP
[125] A KCEP SM noted that "there seems to be no systematic arrangement to building synergies and complementarities" between IFAD projects such as PROFIT, UTNRMP, SCDP (KCEP SM Nov 2016)

established.[126] However, some projects have provided financial literacy training (SDCP, UTNMRP, KCEP) to equip groups of farmers to make sound use of financial services provided by others, including banks supported under PROFIT. KCEP also envisages including subsistence farmers into rural finance mechanisms through its e-vouchers and insurance.

Summary - relevance

108. The portfolio has been well aligned with government strategies for agriculture and the environment. It had an evolving focus that sought to track the move by IFAD from community driven development to value chain approaches. Devolution processes have been partly reflected in design in terms of targeting and service provision, although only recently have newer projects been able to align with the growing county-level mandate to manage their own funding and planning. Targeting has been sound geographically and with sufficient specificity to reach specific groups, in particular women and to a lesser degree youth. Pastoralists in arid areas were not targeted. Some recent projects appear over-ambitious and there were gaps in terms of a lack of value chain diagnosis and climate change. Overall relevance is rated as **satisfactory (5)**.

Effectiveness

(i) Results

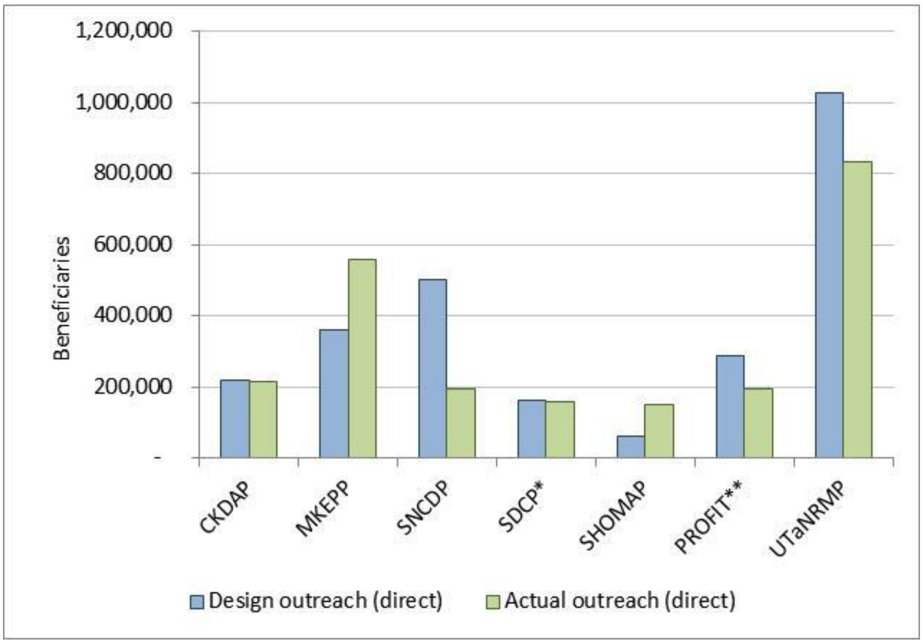
109. Overall there has been a good level of output and outcome delivery in the lending portfolio. Service provision has strengthened in the form of better trained extension, health and social officers. Group formation and capacity building generally met or exceeded targets across the portfolio, as did the preparation of action plans. Environmental targets were mostly achieved in areas such as reduced pollution, forest protection or soil conservation measures. Underachievement occurred in various areas: conducting surveys or diagnostics, achieving transition to more commercial groups

110. Often these outcomes occurred after a slow start-up period, followed by a rapid and strong period of delivery in the mid to late phase of the project. Performance has moved from an unsatisfactory to a satisfactory rating in the case of MKEPP, SDCP and PROFIT for example.

111. Beneficiary outreach targets have been met or exceeded for three of the four completed projects (figure 2), and overall some 2.3 million as against a target of 2.6 million have been reached according to the most recent assessments and RIMS. [127] Annex XII provides a detailed list of achievements against targets by indicator for each project.

[126] A promising value chain based integrated model is being developed around Highland Creameries, involving other financial institutions (SACCOs,) for access to financial services by smallholder farmers, and building on synergies between BSS Technical Service Providers and SDCP.
[127] There is a likelihood of double-counting of beneficiary outreach numbers, and to that extent the numbers may be over-estimated.

Figure 2
Overall project beneficiary design and actual outreach



112. Results have been delivered by beneficiary groups established, supported and trained by projects in various sectors including health, roads, water, forestry, dairy or horticulture production. Over 2,000 hectares of improved irrigation schemes have been achieved, and soil, water and forest management has improved. The earlier projects (CKDAP, SNCDP, SDCP, MKEPP) were broadly effective in reaching their physical targets and did so using community-based group-led approaches and action plans.

113. There were several factors that influenced portfolio effectiveness:

- **Adaptation to devolution processes** and involvement of/partnership with county government staff has been key. The portfolio has been implemented while devolution has been pursued. Where projects took steps to adjust implementation in order to align with the growing importance of county governments and with the increase in number of counties, effectiveness has not been so affected. SHoMAP was also affected by changing ministerial portfolios, which in turn caused shifts in the key institutions, such as KFS, KWS, WSTF.
- **Continuation of projects** has been helpful to effectiveness. The decision to extend projects such as with SDCP or expand them into new projects (for example from MKEPP to UTNRMP) has allowed success to be built on and modalities and technologies that proved effective to be expanded or scaled up. In contrast, new projects have faced varying levels of delay that has affected delivery of results (see Efficiency).
- **Group mobilization** and training have been a viable method to deliver results provided that sensitization was done well, and groups were supported to be strong and viable institutions. Supporting registration for groups such as WRUAs and CFAs has also encouraged stability and expansion. On the other hand, the graduation or transition of groups has had mixed results, as access to credit to move to more commercial operation has not proved so easy (SDCP, PROFIT), and the early signs for KCEP indicate as well that it is not easy to move rapidly to unsubsidised production.
- **Unfavourable weather** especially drought has affected project performance. CKDAP efforts were dampened by the failure of the long rains between 2007 and 2010 and the resulting drought. The 2011-2012 drought also had an impact, being described as the worst in 60 years and affecting 3.75 million people. It caused crop failure and loss of livestock contributing was likely to

have worked against some of the positive trends that MKEPP.[128] Eastern Region farmers under KCEP have been seriously affected by the most recent drought in 2016-17, and this has affected yields and subsequent transition rates.[129]

- **Appropriate technology** has had key benefits in boosting results across the portfolio, whether from saving energy, boosting production or preventing crop losses. These range from the solar electric fence in UTNRMP that reduced the incidences of human-wildlife conflict by 96 per cent, to introduction of biogas to boost returns to dairy farmers, e-vouchers to enable cash constrained cereal farmers under KCEP, micro-irrigation (CKDAP), labour-saving equipment (chaff cutters), and financial products (crop insurance, warehouse receipts).

(ii) Targeting

114. The portfolio has successfully achieved a good gender balance in its beneficiary outreach. From initial gender-sensitive community sensitisation, participatory rural appraisal exercises and beneficiary and group selection, projects have invariably continued to raise awareness on gender issues and use gender-sensitive approaches during implementation. Six projects (CKDAP, MKEPP, SNCDP, SDCP, ShoMaP and PROFIT) have demonstrably mainstreamed gender equality and women's empowerment and succeeded in ensuring women represent at least 50 per cent of beneficiaries.[130]

115. Interestingly, achieving a gender balance in groups in CKDAP and SNCDP often meant promoting men's participation. Before CKDAP, group activities were dominated by women but the project managed to increase their involvement through continuous sensitization on the importance of gender equality as well as the economic opportunities afforded by group membership.

116. In PROFIT, women have mainly been reached through the financial graduation programme implemented by the NGOs CARE and BOMA and through the specialised microfinance institution, Kenya Women's' Financial Trust (KWFT). However, PROFIT has yet to develop gender and pro-poor targeting mechanisms as expected in design. Traditional financial institutions continue to use existing approaches that do not reach the entire target group, namely poorer women and youth.[131] Therefore the programme is also piloting innovative approaches, such as bringing onboard the SACCOs.

117. Pastoralists have been reached to a limited extent and only through PROFIT via the financial graduation pilot.[132] The earlier projects were not designed to support this target group, and subsequently KCEP while targeting ASAL areas, has so far focused on cereal producers. Although the pastoralists reached are few, the quality of their participation is high.

118. In terms of numbers alone, the portfolio has demonstrated varied outreach to youth. This is compounded by inadequate reporting on the participation of youth.[133] On the one hand, in SDCP, youth represent 20 per cent of the members of

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[128] PCRV, MKEPP

[129] KCEP Annual Progress Report, 2017-18

[130] Women represented: 50 per cent of 213,578 beneficiaries accessing improved primary health care services in CKDAP; 55 per cent of 196,639 beneficiaries in SNCDP; and 51 per cent of 558,145 beneficiaries in MKEPP.Wwomen represented 50 per cent of dairy farmers and horticultural farmers and value chain players in SDCP and SHoMAP, surpassing the quotas set at design of 30 and 36 per cent, respectively. PROFIT has also surpassed its 50 per cent quota for women's participation with women making up 79 per cent of beneficiaries to-date.

[131] For instance, 95 per cent of Agricultural Finance Corporation's (AFC) credit goes to men.

[132] implemented by BOMA, in Samburu county and via the Technical Service Provider, SNV, operating in Isiolo and Meru counties

[133] In PROFIT and UTNRMP youth participation is not reported beyond the financial graduation programme and community empowerment component, respectively. In SHoMAP, the poor reporting of sex and youth disaggregated data was repeatedly raised in supervision mission reports and the MTR, and the issue remained unresolved until completion when results were disaggregated by sex, but still not by youth.

participating dairy groups, surpassing the quota of 10 per cent.[134] Sixty per cent of members of the savings groups participating in PROFIT's financial graduation programme in Kitui county are youth. Youth were also targeted directly in CKDAP and indirectly in MKEPP and SNCDP, although there were no specific needs-oriented measures – except for the School Greening Programme in MKEPP. In SNCDP 47 per cent of members in beneficiary groups were youth. Outreach was low in CKDAP (18 youth groups trained in entrepreneurship compared to 300 planned) and in UTNRMP.[135]

119. The portfolio has consistently aimed to target people living with HIV/AIDS. HIV/AIDS considerations were mainstreamed in earlier projects, in line with the 2002 and 2007 COSOPs. Although the 2013 COSOP does not include HIV/AIDS, the portfolio through KCEP and ABDP, continues to target people living with HIV/AIDS among its core and secondary target groups as well as HIV/AIDS awareness-raising activities. The strongest focus on HIV/AIDS was in SNCDP because at the time of design, the Southern Nyanza region had some of the highest HIV/AIDS prevalence figures in the country. The project therefore mainstreamed HIV/AIDS awareness and supported activities specifically to contribute to reversing the spread of the disease.[136] Evidence suggests that the activities were effective and contributed improved awareness and increased testing.[137]

(iii) Natural resource management

120. Results have been positive in relation to NRM. The two main projects in the area of natural resources, the environment and climate change performed very well (MKEPP, UTNRMP). They have resulted in improved access to natural resources and a growing empowerment of communities to manage these resources in a sustainable way.

121. MKEPP built successfully upon earlier GEF projects that sought to protect the Mt. Kenya ecosystem. Complementary GEF funding under MKEPP supported the rehabilitation of natural resources within the protected forest (National Park and Forest Reserve) while IFAD funding assisted conservation and rehabilitation along five river basins outside the protected areas.

122. UTNRMP is an upscaling of MKEPP and is supporting the rehabilitation of 28 river basins. UTNRMP has also continued some activities in the protected areas through support to CFAs. It has facilitated 94,550 households to have access to safe water while 75,000 school children have safer water in schools. 1,576 hectares had been put under irrigation benefitting 39,400 people, while 77 water sources had been rehabilitated or developed. Environmental vulnerability has been reduced through irrigation, provision of safe water for domestic use and the solar electric fence that had reduced the incidences of human-wildlife conflict by 96 per cent.

123. In both projects, there was a high level of community participation which was mobilized through FDAs, CFAs, WRUAs, WUAs, schools and CIGs. By 2017, 236 action plans had been prepared by UTNRMP's mid-term compared to a target of 150, and this has led to raised irrigation and soil management, better access to clean water and falling chemical and microbial pollution levels in waterways.

[134] They are mainly involved in milking, milk collection, testing, the transportation of milk and inputs, commercial pasture production as well as employment in the milk bars and milk cooling centres and less so in dairy cattle management activities.

[135] Just 2 per cent of beneficiaries in barazas (or meetings) to develop Community Action Plans (CAPs) and 7 per cent of Community Interest Groups (CIG) submitted proposals for grants compared to the quota of 30 per cent. However, the project is going to commendable lengths to address this and the latest data on youth participation show marked improvements.

[136] for example through Home Based Care Providers who provide services to people affected and Participatory Educational Theatre and Local Livelihood Forums that sensitize communities on social and health-related issues

[137] SNCDP PCR

(iv) Value chain activities

124. With respect to production[138] activities were mostly related to training on best practices and facilitating use of improved inputs, crop varieties and livestock breeds. Activities related to markets were more diverse – training on group marketing and market scouting, infrastructure development and provision of market information.

125. The outcome of trainings on production was largely successful and led to improved supply. For instance, SDCP households were more likely to have received information on all the practices being promoted by SDCP versus control households, and they were also more likely to have adopted those practices as well. Milk production increased as a consequence.[139] Similarly, productivity increases for some horticultural crops such as bananas were registered for the SHoMAP beneficiaries as a result of trainings on input use and use of improved crop varieties. 873 dairy groups improved their milk productivity and efficiency, while 600 horticulture groups raised their production of marketable produce (bananas, roots, salad vegetables).

126. The effectiveness of market-related training was found to be low. In the case of SDCP, the share of households receiving information on market-related topics (59 per cent) was in general lower than for production-related and farm management topics (79 per cent). Entering the market and understanding how to expand their dairy business was still a challenge for many farmers.[140] In the case of SHoMAP, beneficiaries adopted improved production methods but adoption of market-related skills (such as market scouting) was much lower. Most farmers continued to sell to the same market intermediaries at similar terms of trade as before. Most producer groups in both projects did not enter into contractual agreements with buyers.[141]

127. In terms of improvement in infrastructure to support market-related activities, SHoMaP's activities included improvement of roads and culverts and construction of market structures to facilitate trade. The former led to successful outcomes in terms of reduced transportation costs and increased access of traders to the farm gate. However, market structures were less successful due to *inter alia* unfavourable location, devolution to counties, and lack of enforcement. The milk bars organised under SDCP as a marketing channel to sell dairy products such as fresh milk and yoghurt were more successful.

(v) Rural finance

128. Provision of rural finance services was relatively effective when delivered as components under two projects: SHoMAP and SNCDP. For the former, rural finance support reached over 46,000 borrowers in the form of competitive grants and loans through Equity Bank[142]. Whether this credit line was continued is not clear.[143] SHoMAP also supported 80 pilot initiatives to access competitive grants that were to be replicated through loans from microfinance institutions.

129. SNCDP supported the establishment of 15 Finance and Savings Associations (CFSAs) with 22,294 shareholders and led to more than KES 328 million of savings being mobilised, and loans amounting to KES 256 million disbursed. These loans supported the expansion of businesses, asset acquisition, improved standards of living and social status for youth, women and the productive poor in the project area. 67 per cent of the population had access to financial services at project completion as compared to 45 per cent at midterm and 18 per cent at baseline.

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[138] Findings draw mainly on the two impact evaluation studies for SHoMAP and SDCP.
[139] SDCP 3iE impact evaluation 2017
[140] Only some 20 per cent of SDCP groups facilitated links between members and input suppliers, and just 24 per cent facilitated linking members to milk purchasers – similar to the percentages observed in control groups.
[141] Although some examples in the case of SDCP were noted where dairy groups arranged contracts with SACCOs
[142] According to the MTR in 2012, a guarantee risk-sharing fund of KES 2.5 million was deposited with Equity Bank under Kilimo Biashara (a national Agribusiness initiative).
[143] The PCRV did not confirm these results or whether any outstanding balance was refunded to the Treasury by Equity Bank with approval by IFAD.

The levels of savings were also noted to have increased from 48 per cent at baseline to 56 per cent by completion. Overall, the introduction of the CFSAs led to improved saving culture among community members who were initially not used to saving.

130. For the major rural finance initiative (PROFIT), delays have meant that targets are yet to be reached though recent progress has been more promising, in particular with regard to outreach to enterprises and very poor farmers.[144] PROFIT aimed to reach 287,750 smallholder farmers, fishermen, pastoralists, women, landless labourers and youth through a risk sharing fund, credit facility, business support services and financial graduation. By March 2018, the PFIs under the RSF had disbursed KES 1.1 billion reaching over 67,862 beneficiaries (58 per cent of target for this component). For business support, 23,489 smallholder farmers and 641 Small and Medium Scale Enterprises (SMEs) were recruited and capacity building is underway representing a 71 per cent and 183 per cent achievement respectively. As at June 2017, the credit facility had a total of 20,273 beneficiaries representing only a 15 per cent achievement. Finally, the financial graduation component has already reached its target of providing 2,600 ultra-poor with consumption stipends and investment grants.

131. The assumption of PROFIT was that commercial banks have excess liquidity which can be leverage into agriculture. The revised target for IFAD funds (2016) under the RSF component to leverage commercial lending is 6.1, which means that the project intends to facilitate commercial lending of USD 41.4 million supported by programme's partial credit guarantee of USD 6.9 million. Of the two banks so far using the RSF, AFC has achieved a ratio of 5:1, while Barclay's leverage ratio is currently only 1:1.[145] This does appear to confound the assumption made by PROFIT that the main issue was on the demand side, when in fact it was the supply side that needed considerable attention since banks were not experienced or willing to lend in the sector.[146]

132. The second PROFIT credit line component has so also shown weak performance. Portfolio at Risk (PAR) rates for the four Micro Finance Banks (MFBs) are alarmingly high and deteriorating in the case of SMEP.[147] Table 2 annex VII provides a summary of the available data. The evidence indicates poor performance of the agriculture loan product and deteriorating loan portfolio quality.[148] The MFBs reported a variety of weak practices that affected performance.[149]

133. A loss of critical sequencing effectively led to MFBs lending to clients outside the target group.[150] It was expected that the Business Service Support (BSS) sub-component would help participating banks in the RSF and MFBs in the Credit Facility sub-components to provide tailored products to the PROFIT target group and increase access to finance. Yet BSS only effectively started in 2017, while the

[144] Severe delays caused PROFIT to be rated a problem project for nearly three years between June 2014 and March 2017 and low disbursement caused the cancellation of the Innovation Facility post MTR. Implementation of value chain activities only started in 2017, through two FIs Barclays and AFC rather than the four originally planned.
[145] AGRA Combined IPPT BSS & RSF Report, March 2018
[146] According to interviews with AGRA the PROFIT service provider for RSF and BSS,
[147] The MFBs have all repaid the first two tranches of instalments on the credit line loans. However, FAULU, SMEP and KWFT still report utilisation of PROFIT funds outside the set targeting criteria, and, according to available data, FAULU, Rafiki and SMEP are not fully using the credit facility for PROFIT targets. PROFIT Supervision Mission report October 2017. Para. 30
[148] Only KWFT was able to build its agriculture loan portfolio and maintain a healthy portfolio; FAULU and SMEP performed poorly both in agriculture loan portfolio build up as well as in its quality. SMEP confirmed a write off of KES 21 million in bad debts under its agriculture loan portfolio. RAFIKI disbursements and loan portfolio size was impressive in 2016, but the PAR at 76 per cent wipes out any gains made.
[149] SMEP disbursed loans without a clear focus of target client and agribusiness product; its classification of these loans and reporting was also not done properly. FAULU loans under PROFIT were disbursed to village groups, classification of loans was not done; and its current shift in institutional focus from productive to consumer lending adversely affected accurate reporting of the agribusiness loan portfolio. RAFIKI's poor loan performance is directly related to a collapsed business anchor model with New KCC and Mobi pay.
[150] PROFIT Supervision Mission report October 2017. Para.38

credit facility had already on-lent all resources to the MFBs as of April 2013.[151] This emphasises the need for capacity building inputs to either precede or accompany the delivery of either RSF or CF, to ensure that the partner financial institutions have the correct strategies and product offerings in response to the needs of the identified agricultural value chains.

(vi) Institution building

134. Group formation has been the strongest area of institution-building success. Across all projects, there has been effective delivery of services and increased production and conservation outcomes through groups. This is particularly when existing groups are supported, for example dairy groups that started as bee-keepers in SDCP, vegetable producers in SHoMAP, conservation groups, Community Forest Associations (CFAs) or Water User Associations (WUAs) in UTNRMP. Ownership has been strong where community planning methods have been used. Building on local knowledge has also encouraged more ready adoption of technologies, for example dairy farmers upgrading existing local breeds with artificial insemination (SDCP), and modern hives replacing traditional ones in beekeeping and upgrading of local goats and poultry through cross-breeding, as opposed to the direct introduction of new and expensive breeds (as done in CKDAP).

135. Group registration (such as with local co-operative offices) has been a critical step to ensure groups have recognition, work in a more disciplined and collective manner, and can receive better market prices especially when they obtain for Bureau of Standards certificates.

136. Adjustment to devolution processes during implementation meant that projects moved to increasingly support devolved structures. For example in CKDAP, the PCU was relocated from Nairobi to Nyeri and new structures were created at the divisional and area level to facilitate integrated development of different sectoral activities and to improve participation of the target group in project planning, budgeting, implementation and evaluation. [152] Nevertheless, as noted in the review of the earlier COSOP 2007, capacity building results were affected by the transfer of many staff as a result of devolution.[153]

Summary - effectiveness

137. Overall, effectiveness is very mixed with strong group development and production increases. NRM projects have resulted in improved access to natural resources and a growing empowerment of communities to manage these resources in a sustainable way. Value chain-related activities have contributed to increased productivity of crops and livestock, but the activities related to marketing and processing were less successful. Expected synergies between PROFIT and value chain projects have so far been limited. Rural finance results have been delayed and though now rapidly progressing, the quality of the lending portfolio has been of concern and success in reaching the IFAD target group mainly undocumented. Outreach to women was good throughout the portfolio and HIV/AIDS was mainstreamed. Youth and pastoralists were not targeted and outreach was limited as a result. Effectiveness is therefore rated as **moderately satisfactory (4)**.

Efficiency

138. This section examines three areas of efficiency: project management, fund disbursement, and economic rate of return.

139. **Management costs**. Actual management costs have exceeded the planned allocations for all projects, although the proportion of funds spent on project management costs has fallen from a high 35 percent in the earliest project reviewed (CKDAP) to less than 20 percent for the recently closed horticultural

[151] According to one KWFT project officer, PROFIT barely provided guidance on targeting issues, leaving the activity up to the discretion of individual MFBs.
[152] PCRV, CKDAP
[153] COSOP 2013, Previous COSOP results framework comments, Appendix IV.

project (See figure 7, annex VII). For the closed projects, higher than expected management costs were attributed to duplication of coordination structures in CKDAP, the need to match allowances prevailing in Government, and increased fuel prices (MKEPP), and poor planning of AWPB activities and project extension (SNCDP). In SHoMAP, while there was not a huge increase in management costs vis-á-vis total project costs, the project did spend 137 per cent of its allocated project management cost on this category. These increases are attributed to conceptual challenges on value chains necessitating outsourcing, understaffing, weak contract management, and long distances for supervision.

140. Ongoing projects with PCU headquarters outside of Nairobi (SDCP and UTNRMP) are overall progressing well, with management costs not exceeding more than 6 per cent of allocated costs.[154] PROFIT has a much lower allocation of management costs at (re)design vis-à-vis other projects – 4 per cent compared to all others which range between 10 to 22 per cent – due to its location in Nairobi, and limited need for extensive infrastructure. However its actual management costs have been relatively high, due largely to slow implementation.

141. **Staffing issues.** Two specific issues affected project staffing - high staff turnover and under-staffing. Factors contributing to staff turnover included the terms of service in MKEPP and no top up allowances in PROFIT. Under-staffing was acute in early periods of projects such as SNCDP, or found in implementing agencies in SDCP, conceptual challenges for the PMU to understand value chains in SHoMAP, and overlapping staff duties due to the PROFIT's embeddedness in the National Treasury.

142. **Disbursements.** Many projects accelerate their disbursements in the second half of the project lifecycle, which is a poor indicator of efficiency. Overall disbursement of IFAD resources shows that, among the closed projects, none had reached 50 per cent of disbursement by their respective mid-terms. Amongst the ongoing projects, only UTNRMP breaks free from this trend, with 67 per cent of its loan disbursed by Project Year 4 of 8 (figures 8 and 9, annex VII).

143. The time lag between project approval and project effectiveness has generally improved from older to newer projects, from 6 months (or over a year and a half in MKEPP) to 3 months or less in PROFIT and UTNRMP (Figure 6 annex VII).

144. Nonetheless this trend has deteriorated when considering the time gap between effectiveness and first disbursement. Projects prior to PROFIT all had delays of less than 6 months, while PROFIT, UTNRMP and KCEP all had delays of between a year and eighteen months. As a proportion of the actual length of the older projects, they represent between 1-4 per cent of total project time. In comparison, for recent projects the gap is significantly higher, between 11 and 16 per cent of total project time. Slow start up issues impacted projects in different ways such as late funding flows or staffing recruitment delays. In SDCP flow of funds, AIEs and election violence were the negative issues. In the case of PROFIT and UTNRMP, staffing issues were the principal cause, such as searching for a financial controller in PROFIT or recruiting the PMU staff in UTNRMP (as they were for KCEP too).

145. The slow issue of Authority to Incur Expenditures (AIEs) has begun to improve. This was a concern raised in the last CPE and relates to the fact that PMUs cannot spend funds until the supervising government authority delegates permission to spend funds to the PMU, usually the Project Manager. For CKDAP the slow issue of AIEs effectively subtracted 3 months of implementation per fiscal year, cumulatively representing 2 years of no implementation. For SNCDP, too, AIEs were released late in at least 4 years, severely affecting budget releases and therefore implementation. Delays in disbursements also affected MKEPP, where both the

[154] In the case of SDCP, increased management costs relative to actual programme costs are still only 66 per cent of re-allocated costs in PY 11 of 13. UTNRMP is also well within its allocated management costs, with half of its allocated expenses used in PY 6 of 8.

initial IFAD deposit and the GEF funding[155] were received late, and SDCP, whereby the line ministry has been slow to release AIEs to the counties and almost five months of the fiscal year are lost.

146. PROFIT has seen a different approach to AIE issues. After severe delays when AIEs had to be approved by the Treasury director or another department or ministry, in 2017 the Project Coordinator received the AIE directly, very late in the project cycle. By October 2017 this AIE designation had seen positive results, with increased expenditure. UTNRMP (and KCEP) have also learnt from previous AIE issues, and have modified procedures to allow for a more effective flow of funds. To date, AIEs have not been reported to be a cause for problems.

147. **Economic rate of return (ERR).** While all projects aside from CKDAP did an *ex ante* ERR analysis, no projects assessed their economic rate of returns at completion. This is a significant gap given the importance of such an analysis for value chain projects. While in most cases beneficiary outreach was higher than planned, spreading potential economic gains, the near-universal extension of projects by an average of 1.8 years also reduces the economic impact of the projects. It is also noteworthy that projects from SDCP onwards had ERRs of 20-22 per cent compared to CKDAP and MKEPP ERRs of 8-10 per cent.

148. **Cost per beneficiary**. Value chain projects present the highest cost per beneficiary (between US$132 and US$211) due to the relatively smaller number of beneficiaries reached in comparison to the rest of the portfolio.[156] The project with the highest cost per beneficiary compared to design however was SNCDP, fuelled by its low outreach figures against targeted beneficiaries. PROFIT presents a low cost per beneficiary mainly due to the implementation delays of project sub-components that would have leveraged a high amount of domestic financing for the project. The projects that kept closest to their estimated cost per beneficiary at design were the early CKDAP and MKEPP (table 3, annex VII).

Summary - efficiency

149. The portfolio has seen some improvements in efficiency, such as recent efforts to tackle the structural limitations that AIEs imposed on projects, or reduced time lags between approval and entry into force. Exogenous factors that impacted project efficiency, such as devolution or rising prices, were outside of project control. Yet because of the time lags between effectiveness and disbursement, the generally high management costs and the staffing issues, efficiency is rated as **moderately unsatisfactory (3)**.

Rural poverty impact

150. The rural poverty impact criterion is assessed for MKEPP, UTNRMP, SDCP, SHoMAP, CKDAP and SNCDP. These projects have conducted both quantitative (household survey) and qualitative (focus group discussions and interviews) studies as part of the impact assessment (IA).[157] However, only two had used a comparison group (counterfactual) – the SDCP IA, that was commissioned by IFAD's programme management department and the government, and the SHoMAP impact evaluation that was commissioned and conducted by IOE. The other impact assessments have assessed only the contribution of the projects to the economic changes in the lives of their beneficiaries; therefore it cannot be stated with certainty that observed changes were a result of IFAD-supported projects alone.

[155] GEF funding was received 4 years after the start of the project.
[156] Though it should be noted that the SHoMAP impact evaluation did not calculate cost per beneficiary due to double counting of beneficiaries
[157] CKDAP PCR June 2011; MKEPP Impact Assessment Final Report May 2012; SNDCP Impact Assessment Report July 2013; Impact evaluation of the smallholder dairy commercialization programme in Kenya, October 2017; SHoMAP Impact Evaluation draft report, July 2018, IFAD IOE; UTNRMP Impact Assessment Survey Final Report April 2017.

(i) Household income and assets

151. Overall, the economic impact of the portfolio on the beneficiaries has been positive. The IA studies used a mix of income, expenditure and assets as variables to assess the economic impact of projects on their beneficiaries.

152. **Household incomes.** The effect of the projects' interventions on beneficiary household incomes was found to be positive. As shown in the tabular representation below, income changes ranged from 14 per cent in the case of UTNRMP to 30 per cent in the case of SHoMAP. Income increases were not limited to producers alone, as demonstrated by MKEPP: while income from horticulture witnessed a rise from 29 to 51 per cent for the producers, incomes from agricultural employment and for small agribusinesses increased by 6 per cent each. Proxy indicators for income, such as household expenditure in the case of CKDAP also showed increases of up to 70 per cent. A caveat here is that the income increases are expressed in nominal terms and to that extent they include inflationary effects which overstates their effect in real terms.[158]

Table 4
Change in household incomes for selected projects

Project	*Nature of change*	*Direction and magnitude of change (beneficiaries)*
UTNRMP	Between baseline and endline for beneficiaries only	+ 14%
SHoMAP	Between treatment and control groups at endline	+ 30%
MKEPP	Between baseline and endline for beneficiaries only	+ 22%
CKDAP*	Between baseline and endline for beneficiaries only	+ 70%

*household expenditure used as a proxy for income.

153. **Household assets, productive or non-productive.** Similar to the results of income changes, results of changes in assets at the household level also revealed positive effects. One such effect was improved quality of beneficiaries' housing. Analysis of the wealth index created as part of the IA of the SNCDP showed that the number of households owning assets increased by 14 per cent and 16 per cent in the second and the third quartiles respectively.[159] The proportion of beneficiary households living in temporary housing (based on type of roofing used) decreased for both UTNRPM[160] and MKEPP. Beneficiaries also increased their livestock, as in the case of SDCP: beneficiaries owned 0.5 cattle head more than non-beneficiaries. SDCP reports also that 25 per cent of targeted dairy farmers have invested in environmentally friendly and climate smart systems, as well and labour saving devices such as biogas and energy saving stove. The CSPE telephone survey, however, shows low use of biogas across the sample at 2 per cent, and zero grazing at just 13 per cent (see figure 10 annex VII).

Table 5
Change in household assets for selected projects

Project	*Type of change*	*Magnitude of change*
UTNRMP	No. of households owning assets as compared to BL	+14 % (2nd quartile) +16% (3rd quartile)
UTNRMP	Proportion of beneficiary households living in temporary housing	11% (baseline) 4.2% (endline)

[158] For instance, the impact assessment report of the CKDAP cautions that while consumption expenditure increase in nominal terms was 70 per cent, in real terms, it only amounted to a 10 per cent increase in five years.
[159] Each quartile represents 25 per cent of the population. The wealth index was created and divided into four quartiles, the first quartile representing the lowest wealth score, the second quartile the second lowest and so on.
[160] In specific terms, the proportion of households using corrugated metal as roofing material had increased from 70.1 per cent at baseline to 81.2 per cent.

MKEPP	Proportion of beneficiary households living in temporary housing	21.8% (baseline) 8.2% (endline)

154. The positive economic effects were mostly driven by production-side interventions, and less by market-side activities. The interventions driving higher productivity included training provided by projects and the adoption of improved crop varieties and livestock breeds. In the case of SNDCP, inputs for crop and livestock production deriving from improved availability and access to extension services were one of the reasons for increased incomes. For projects with a prominent value chain focus viz., SHoMAP and SDCP, besides increased production, economic changes were also attributed to market side interventions: lower transportation costs and higher prices, respectively.

(ii) Human and social capital and empowerment

155. This includes an assessment of the extent to which individuals were empowered through improved access to information and to services, for example inclusive financial services. It also looks at the empowerment of grass-roots organizations and institutions and changes with regard to social cohesion and conflict management.

156. **Community empowerment.** The outcomes with respect to group cohesion and empowerment were mixed**.** All projects had some element of training in improving group dynamics. UTNRMP successfully built capacities of grass root organizations such as the water users associations, the community forest associations and the common interest groups on governance and management of grants. Groups visited by the CSPE team were functioning satisfactorily.

157. While capacity building activities were generally viewed as positive by beneficiaries, there was limited time to make these activities sustainable. Yet time was important to help people see the importance of collective action through mutual cooperation. The MKEPP IA report states that the capacity building of WRUAs had been successful, and their ability to carry out their roles in water catchment, management and conservation was well demonstrated, but more time was required to enable the WRUAs to grow and carry out their mandate. For the groups that were formed last, MKEPP could not provide the interventions the communities had demanded since their period of engagement with the project was too short.[161]

158. **Group cohesion**. Improved group cohesion has led to a reduction in social conflicts**.** One reason was the training imparted on leadership skills and conflict resolution mechanism and consequently the cohesiveness of the groups had been enhanced and conflicts had reduced. For instance, the IA of UTNRMP showed that 60 per cent of the respondents did not experience water conflicts in their area after WRUA formation and interventions. In areas where conflicts emerged, they were mainly solved through leaders and the WRUAs. In the case of SNCDP, 62 per cent of the respondents were satisfied with conflict resolution mechanisms.[162]

159. In other cases, creating understanding among users of natural resources of their varying needs helped reduce conflicts. The MKEPP through exchange visits and learning between upstream and downstream users of rivers along the river course helped build cooperation and reduced conflicts between the communities.[163] The IA study showed that the majority of the respondents did not experience water conflicts in their area.

160. In some cases group cohesion had been undermined by negative group dynamics. For example, in SNCDP, insufficient support from the community leadership and negative attitudes towards the cooperative model have limited the impact of

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161 MKEPP, IA, p.83
162 SNDCP, PCR, page 57
163 MKEPP, PCR, page 58

community groups established for water management and maintenance of the irrigation facilities.[164] In the case of CKDAP, local opinion leaders provided conflicting information to communities on the level of financial and material support leading to mistrust and low community participation.[165]

[164] SNCDP, PCR Digest
[165] CKDAP, PCR, page VIII appendices

Box 3

Conflict over water results in collaboration: The case of the Lower Rupingazi WRUA

Before the formation of the Lower Rupingazi WRUA, there was a severe conflict among upstream and downstream communities along the Rupingazi River and its tributaries. Upstream communities were over abstracting water from the river and diverting the streams to irrigate their expanding farms, while the downstream communities were receiving less and less water. A cholera outbreak in 2000 was exacerbated by the fact that untreated sewage was directed into the same river that the water vendors were using to supply water to fresh vegetable sellers in Embu town. The community held a demonstration at the District Water Offices and the idea of a water resource users association was born, making the Lower Rupingazi WRUA one of the oldest WRUAs in the country. After the operationalization of the Water Act of 2002, the WRUA was registered under the Societies Act.

Lessons from the Rupingazi WRUA have assisted the government to refine the rules and regulations for WRUAs and to share best practices with upcoming WRUAs. For example, initially the WRUA covered only 63 km2 but after the review of the regulations, several smaller WRUAs were merged to meet the minimum of 100 km^2 size for a single WRUA as per the guidelines. The institutional capacity building provided, first during MKEPP and later during UTNRMP, enabled the WRUA to fulfil its mandate, including managing conflicts among water users, rehabilitating degraded sections of the sub-catchment, implementing spring protection and irrigation schemes, and establishing and implementing a water rationing regime especially during the dry season. The user fees charged to households and institutional users, such as Kangaru High School and the Isak Walton Hotel, are used to cover operational and maintenance costs. The WRUA has plans to initiate income generating activities to diversify its sources of revenue and enable the members to implement a wider range of activities in the sub-catchment.

161. **Financial empowerment.** Increased access to financial services was an important feature of some projects. There were positive outcomes in this regard, leading to a culture of savings and loan uptake, as in the case of the CFSAs introduced under the SNCDP. Some 67 per cent of the respondents to the impact study conducted by the project indicated that they had access to financial services and. The levels of savings and uptake of loans was noted to have increased significantly.[166] One outcome of this was that mobilization of finance through the merry-go-round decreased to 27 per cent from 52 per cent at mid-term.

Table 6

Variable	*Magnitude of change (% of beneficiaries)*	
	Baseline	*Endline*
Access to financial services	18	67
Level of savings	7	56
Uptake of loans	25	42
Participation in merry-go-rounds	52*	27

*At project mid-term.

162. However, as noted under Sustainability later, these positive results for CFSAs have not proved durable in many instances. Elsewhere, while financial literacy increased beneficiaries' awareness of various sources of finance, and to that extent there was a level of empowerment, they relied heavily on members' dues. A case in point is

[166] IA, SNDCP, page 45

the SDCP where results of the IA showed that while beneficiary groups as opposed to non-beneficiary groups were far more likely to obtain financing from a wider range of financial institutions[167], 93 per cent also stated that they still relied on member dues. Similarly, for UTRNMP, the IA found that 10 per cent of households had accounts with MFIs, 41 per cent with SACCOs and 48 per cent with savings groups.

163. One reason for less than desired credit uptake was that groups were discouraged by the high interest rates charged by financial institutions and were not sure of prospects of accessing loans through them as they feared losing their property. This was further confirmed by the CSPE telephone survey which confirmed that lack of financial services was the major hurdle to increase commercialisation (see annex X).

(iii) Food security and agricultural productivity

164. **Agricultural productivity.** Increasing agricultural production was a central tenet of all projects in the portfolio and it was the most important reason for increases in household incomes and assets. Changes in productivity occurred for a host of reasons: training, field demonstrations, improved crop varieties and livestock breeds, and the introduction of new technologies such as banana tissue culture. In the case of SDCP, a key objective of agricultural extension was to increase farmers' knowledge about agricultural practices, which in turn could have an effect on productivity. The programme targeted dairy farming productivity through grants, trainings, field days, and demonstrations. The beneficiaries raised milk production from an average of 4 litres per cow per day to 10.6 litres, as per the IA.

165. For the UTNRMP, the IA showed changes in yields of four main crops, as presented in the tabular representation below. Although achieved production levels were lower than targeted, there were improvements from baseline levels for some crops such as sweet potatoes, while others showed very little change (beans, bananas). Some of the main reasons for increases were adoption of improved crop varieties and crop technologies. In addition, improved crop productivity was also a result of adoption of soil and water conservation technologies. Farmers reported increased milk production as a result of adopting improved cattle and goat breeds, which also contributed to improve incomes. The qualitative surveys revealed substantial increases in cattle milk production from an average of 3-5 litres to 8-10 litres per day and goat milk increased from an average of a 0.25 litre to one litre. However, this is anecdotal evidence only and these results may not be reliable.

Table 7

Crops	Average Area under cultivation (acres)	Production at baseline tons/Ha	Targeted production at Mid Term tons/Ha	Achieved production at Mid Term tons/Ha
Beans	0.88	8.2	8.61	8.3
Green Grams	2.78	8.4	8.82	8.7
Sweet Potatoes	2.43	3.5	14.2	9.3
Bananas	0.85	38	39.9	38.6

166. The IE results for SHoMAP were presented for four crops are presented below. Yields were greater in beneficiary households for bananas and Irish potatoes and the results are statistically significant. For sweet potatoes, yields in control households were greater but the results are not statistically significant. . Focus groups revealed that this was likely a result of training on better agricultural practices received by beneficiaries, including use of better variety of seeds or planting materials, soil preparation, use of certified fertilisers, crop rotation and improved small scale irrigation. FGDs held with beneficiaries where banana cultivation was promoted reported an increase in productivity which was due to the

[167] 14 per cent vs. 1 per cent from micro-finance institutions , 55 per cent vs. 43 per cent from different types of local credit and savings groups, and 5 per cent vs. 1 per cent from commercial banks.

introduction of varieties produced through tissue culture. The new variety has a lower production cycle (18 months) than traditional bananas (24 months), it is less prone to pest attack, and what is considered more important by farmers, it can be stored for about two weeks after harvest (while traditional varieties are more perishable).

Table 8
Average effects for yields (kg/acre) of individual crops

	Banana	*Sweet potato*	*Irish potato*	*Cabbage*
ATT	4,040.39**	-315.94	2,220.93**	1,411.68
standard error	(1,969.96)	(230.57)	(1,058.71)	(8,590.84)

Significance levels: *** p<0.01, ** p<0.05, * p<0.1

167. Productivity levels have risen for targeted crops or livestock products, however marketing of this surplus has been less effective.[168] For example in SDCP, where training on this aspect was less prevalent, processors were not always well connected with producers and selling to the public and to local buyers (termed 'hawkers') remain the most popular channels even in the more advanced 'Mode 3' groups (figure 5, annex VII). For SHoMAP, the failure to complete the planned marketing infrastructure or to set up the price information systems inhibited sales of the substantially increased volumes of produce. The grant-funded pilot initiatives including such improvements as greenhouses while well received were only partly effective since 51 per cent were not operational at project close according to the IER.

168. For CKDAP, according to the household survey, maize production saw an increase from 389 kg/acre in 2006 to 489 kg/acre in 2010. But the survey report adds that the increase was very unevenly distributed across project-supported households and areas. Under MKEPP, the soil and water conservation, water harvesting, and the introduction of improved planting materials had a positive impact on agriculture productivity in the project area. Farmers who adopted soil and water conservation techniques reported increased crop yields (65 per cent reported increased in food production). Through the soil and water conservation measures adopted on 16,483 farms, most reported on average a 65 per cent increase in agricultural productivity.[169]

169. SNCDP's activities led to improved capacity for growing and using traditional and drought tolerant crops; improved knowledge, skills and inputs available to increase livestock productivity; and increased production of high value crops. The average number of households engaged in crop farming was 94.6 per cent and 92.5 per cent during benchmark and completion respectively, a slight decrease only. The main reasons for not engaging in crop farming identified by respondents was lack of access to land followed by land not being arable. On lands that were farmed, yield increases were mixed. Production increase in the case of livestock was more pronounced - growth was prevalent in the case of indigenous cattle, exotic/crosses goats, chicken, indigenous sheep and goat, and exotic crossbreed cattle, although beef cattle and exotic cross sheep showed a decline in production.[170]

170. **Food security** generally improved as a result**.**[171] Beneficiaries had access to more diverse dietary sources, as in the case of both SDCP and SHoMAP, where beneficiary households were more likely to have a more diverse food basket, especially foods with larger levels of animal and vegetable proteins, and lower levels of tuber and fruit consumption.

[168] A more detailed analysis of agricultural productivity is undertaken in the section on Rural Poverty Impact later in the report.
[169] CKDAP, PCR p.38
[170] SNDCP, PCR, 62
[171] The IAs used a variety of methods to assess changes in the food security of beneficiaries as a result of project interventions using indicators such as levels of nourishment, diversity of sources and access to food.

171. **Nutrition.** The effect of food security on improved nutrition was a clear outcome. For example, increased production and improved access to water also led to improved household nutrition as beneficiaries increased consumption of the foods that were obtained from their farms/own produce. In the case of UTNRMP, farmers reported improved nutrition as a result of taking goat milk which is more nutritious and easy to digest (especially by children), has higher calcium content and low iron content and is also rich in vitamins. For MKEPP, improved access to water led to the large majority of the households reporting positive results in the area of nutrition/ household diet (64 per cent), availability of food (68 per cent) and affordability of food (56 per cent) as compared to the period before the project.

172. On the other hand, there are notable exceptions to improvements in food security. For CKDAP, as per the household impact survey, the number of households experiencing at least one hungry season had actually increased in 2010 compared to 2006. The PCR noted that the intervention in food security concerning drought resistant crops was unsuccessful in producing the intended benefits during the persistent drought in 2008 and 2009. As a supervision report in 2010 noted, the project had not been able to develop a comprehensive intervention strategy aimed at crop diversification to ensure food security in the Arid and Semi-Arid regions, thus reducing the effectiveness of the food security intervention. Similarly, for SNCDP, a comparative analysis of households consuming three meals a day showed a negligible increase in the average number of households from 63.1 per cent at benchmark to 64.2 per cent at completion.

(iv) Institutions and policies

173. **Impact on policies**. The majority of evaluated projects did not have specific activities to influence policy**.** In the case of SDCP and SHoMAP though, activities to contribute to policies were part of the project components. For example, one of the activities undertaken by SHoMAP was to support the development of an improved horticultural sub-sector policy and legislation framework. Accordingly, the project provided for a grant of US$ 500,000 towards these envisaged support functions to the ASCU and a draft "National Horticultural Policy" document was developed through a participatory process involving a wide range of stakeholders. The Policy, which provides a framework for the horticultural sub-sector and improved regulation of the sector, has been promulgated.

174. SDCP had as one of its component support to policy and institutions. The major impact of the component was creation of awareness among the stakeholders of the need for conducive policy and legal frameworks for the dairy sub-sector. This was achieved through the following: i) Dairy Industry Policy and Bill, both of which were approved by the Cabinet; and a draft Livestock Feedstuff Policy and Bill which is with the Attorney General for submission to parliament; Strategic Plan for Central Artificial Insemination Station (CAIS); and, Animal Breeding Policy and Bill with the policy finalised while the bill is being prepared; ii) strengthening and upgrading the Dairy Training Institute; iii) support to Kenya Dairy Board in terms of stakeholder needs analysis, branding of milk bar premises and up grading of KDB website; and iv) support to Department of Veterinary Services (DVS).[172]

175. **Impact on institutions.** The results on institution building were mixed . While capacities of government institutions were built through staff training, the paucity of staff (especially after the devolution process) coupled with their transfer to newly-formed counties resulted in less than desired outcomes. In the case of grassroots organizations, while their capacities were built, there is mixed evidence of the extent to which they were transformed into more permanent formal structures. While M&E records capture the delivery of training in terms of type, coverage, recipients, etc., there is limited assessment available of the results achieved here. While impact studies for example often provide the results of farmer

[172] MTR, page 45.

or group training[173], there is little evidence on the effects of training on how well public officials perform or private sector actors work.

176. Lack of formal recognition or status for the community-based organizations was one of the most important reasons for their failure. SHoMAP helped develop market management committees to manage the day-to-day functioning of the market structures constructed or rehabilitated by the project. However, these committees did not have the desired authority to manage the markets, largely due to the fact that counties formed under the devolution process had not yet delegated any power to these committees. Similarly, the focal area development committee structure conceptualised under CKDAP as an informal institution at the grassroots level elected democratically by the beneficiaries themselves for delivery of project planning, implementation and maintenance did not have any formal recognition, thus making it weak.[174] Even in the case of SNCDP, which aimed to improve access to financial services for those on low income, the absence of clear laws to guide CFSAs led to weak governance structures and emergence of fraud within the committees.[175]

177. The local institutions targeted were often not able to deliver the expected outcomes due to staff-related issues. For instance, SHoMAP facilitated training of Government staff in counties on effective agricultural practices, agri-business, value chains, business management and entrepreneurship. However, while the trainings were useful in building capacities, in interviews with the CSPE team beneficiary farmer groups reported the lack of adequate and timely support from the local extension offices. CKDAP helped build capacities of local government institutions such as the District Water Offices under the Domestic Water Supply & Technical Services component. However, the PCR notes that the legislation – Water Act 2002 - hindered the capacity building of district water offices by transferring the officials of the District Water Offices to other water boards thus negating the benefits of their improved capacity.

178. Projects that worked with well-entrenched grass roots organizations were more successful. MKEPP which made important contributions to strengthening local level institutions such as FDACs, CFAs, WUAs, and other CBOs, was able to generate benefits at the district level with improved river basin management capacity at community and district levels. This was done through, for example, the deployment of district project coordinators who improved their management skills at all levels and revitalised government support and at national level with the enhanced technical and management capacity of the KWS and the KFS.

Summary - impact

179. Evidence from impact studies shows that positive economic changes occurred for beneficiaries of all projects. But only for SHoMAP and SDCP the positive and significant changes particularly with regard to productivity, food security and incomes can be attributed to the project. In all cases the positive changes, such as increases in productivity for both crops and livestock, were mainly the result of production-side interventions. In SHoMAP and SDCP lower transportation costs, better prices and stronger local demand (in the case of milk) did lead to increased incomes. However, positive results emanating from the market side interventions were far less visible.

180. Improvements in food security were found for all evaluated projects, except CKDAP in the ASAL. Training in group dynamics led to positive outcomes such as reduced conflicts. Results in terms of group cohesion were however mixed. In some instances, project duration was too short and more time was needed to reach a

[173] UTNRMP data did show that 50-60 per cent of trainees adopted new technology or capacities for records keeping, leadership and other areas, while under SHoMAP there is evidence that productivity rose due partly to training on crop practices and in SDCP's improved cattle husbandry and productivity relates to the range of capacity building provided.
[174] CKADP, PCR pg 68
[175] SNDCP PCR

level of cohesion. Negative group dynamics and mistrust amongst newly formed groups were difficult to overcome and there were issues of weak governance and leadership, also related to the devolution process. The more successful groups were those that were more mature (dairy) and those that were formed and governed by the national constitution (natural resource management groups). The projects successfully built capacities of staff of government institutions. Most projects did not however have explicit interventions to influence national policy. Similarly the grassroots organizations formed or supported by the projects did not always transform into permanent structures. The rating given to rural impact criterion is **moderately satisfactory (4).**

Sustainability

181. The CSPE assesses sustainability for 7 projects: (CKDAP, SNCDP, SHoMAP, SDCP, PROFIT, MKEPP, UTNRMP). A range of external factors have hindered or supported sustainability. Natural events such as those related to climate change and drought has affected the sustainability of yields in the recent seasons, and equally pest outbreaks, notably the fall army worm, have been a critical limitation on production levels in 2017 in UTANRMP and KCEP.[176]

182. **Community groups and associations.** The sustainability of project assets has benefited from the engagement, participation and ownership of local communities, grass-roots organisations and the rural poor. Where groups across the portfolio have continued to flourish by retaining membership and assets, sustainability has been positive. The CSPE's field verification[177] of 20 groups and their assets found that 45 per cent of groups met in the field were functioning well and with an active membership while 50 per cent were functioning to a moderate level with some active members. In terms of assets, 48 per cent of the groups had assets that were in full working order and maintained while 43 per cent had assets that were in moderate condition (see results in annex XI). Further examples are given in box 3.

[176] though KCEP with FAO support is instigating measures to tackle this serious African pest https://www.bbc.com/news/science-environment-38859851

[177] Covering field visits to SNDCP, SDCP, SHoMAP, PROFIT, KCEP, UTNRMP

Box 4
Evidence of Sustainability through various forms of group association

MKEPP UTNRMP	The 301 FDAs that were set up under MKEPP and UTNRMP were instrumental in the development of CAPs and later formed the building blocks for the WRUAs that were formed for the sub-catchments. WRUAs and WUAs were enshrined in law (i.e. registered) as legal associations with the WRMA. In MKEPP, strong community ownership was reflected by the higher than expected contribution to the project (138 per cent).
UTNMRP	By June 2018, UTNRMP had supported 30 CFAs and 43 WRUAs. Sustainability is enhanced by the formulation of the Development Cycle for both CFAs and WRUAs, which makes it possible to receive funding through the Water Services Trust Fund. The irrigation groups also demonstrated a high level of cohesion and were effectively organized and trained to ensure the continued maintenance of the infrastructure. An example is given in Box 3.
SDCP	SDCP groups have generally been sustainable. They were based on existing groups, and have focused on raising animal quality and milk production standards with growing assets and incomes. Milk demand is high and groups can receive better income when selling as a group. Groups have moved from Mode 1 to mostly Mode 2 and 13 per cent at Mode 3[178] in 2018, although this is below the targets set for the original and additional financing (table 4, annex VII). Ownership is reported to be high even after SDCP support ends, with bank assets, sales and improved income. The CSPE telephone survey showed that 93 per cent of 113 groups contacted have a bank account and have maintained group registration. But the groups are still short of finance to commercialise production with processing and bulking, with 61 per cent identifying this as the most important need (annex X). The takeover of support by county staff is yet to be assured after the project closes in 2019 and will depend on incorporation into CIDP activities along with county budgets and oversight roles.
SHOMAP	Under SHoMAP, the survival of enterprise-based commercial groups were assessed as uncertain in the IE due to underlying governance issues and weak county government follow up.

183. **Infrastructure and assets**. Some project infrastructure such as health clinics have been taken over successfully and run by county health departments (CKDAPP, SNCDP). An example in Kerobo, Nyamera County visited by the mission - though understaffed and without reliable electricity - nevertheless continues to attend to 50 patients per day and a community of 8,700 people nine years after its construction under SNCDP (Figure 3 below). Under SHoMAP, too, there was a continuing funding arrangement from the County Governments and Constituency Development Fund for the maintenance of the 547 km of roads and bridges rehabilitated under the spot improvements activity.

[178] Mode category reflects the level of commercialisation and group capacity of the dairy groups under SDCP

Figure 3
Kerobo Health Clinic funded under SNDCP in 2009

184. **County government capacity**. The transition processes under devolution have affected the sustainability of portfolio results as mandates were devolved and institutions, policies and laws reviewed to align with the 2010 Constitution. Since 2013, devolved staff have different reporting lines and this has resulted in changes in their performance appraisal set-up. Frequent changes in ministry portfolios have shifted responsibilities. For example, Ministry of Water staff trained under CKDAP to provide services to the beneficiaries of project funded water schemes were transferred elsewhere to water service boards and other water management authorities. Communities were not always clear on how the management structures set up under the projects would then work with the newly formed Water Boards.[179]

185. Counties have yet to fully absorb and fund project assets. For example, the markets funded under SHoMAP are yet to be fully operationalized by the county governments.[180] On the other hand, some county staff expect the markets to eventually be operationalised by the local authorities once the 'dust of devolution' has settled.[181] Under UTNMRP, the government does not have a financial allocation to support the CFAs and WRUAs. The long-term sustainability of the CFAs and WRUAs is therefore dependent on how innovative its members are.[182] Local political support from county officials and elected leaders is also needed for groups (such as the CFSAs in SNCDP) so that they retain confidence in their services and asset worthiness, otherwise trust will be disappear after project closure.

186. **Rural Finance**. The major rural finance initiative represented by PROFIT has a number of sustainability issues, which include the late launching of the RSF and the limited remaining life of PROFIT,[183] delayed access to business support services,[184] the limited effectiveness of the Credit,[185] and the worsening agriculture loan portfolio at risk of FAULU, SMEP and RAFIKI.[186] The poor performance of the portfolio will certainly inhibit sustainability. For the Financial Graduation

[179] However, some water projects such as Rukanga and Kamumwe in Kirinyaga eventually became water service providers and collaborated with the water boards. This allowed them to introduce water metering to raise revenue to meet maintenance costs as well as for expansion.
[180] In one such market in Embu, the county government continues to issue licences to roadside traders, thereby undermining the use of the market, which is yet to be connected to a water system.
[181] Draft Impact Evaluation Report, SHoMAP, July 2018 para 139.
[182] For example, the Njukiri CFA has independently initiated an income generating ecotourism venture (Camp Ndunda), that offers hikes, zip line rides, a restaurant, camping and team exercises for a fee. Conversely, the Rupingazi WRUA is yet to initiate an income generating activities that can sustain it beyond UTNRMP.
[183] PROFIT Supervision Report Final, Oct 2017, para 102, pg. 15
[184] The anchor and wholesale business models enable both financial institutions to lend to large and or medium business entities that have backward and forward linkages with smallholder farmers and or traders and other market agents. Both AFC and Barclays bank lack a capacity to work with PROFIT type target clientele directly.
[185] FAULU, Rafiki and SMEP are not fully using the facility within PROFIT targeting criteria (PROFIT Supervision Report Final, Oct 2017, para 30, pg. 5)
[186] SMEP PAR deteriorated (from 49 per cent in the first quarter 2017 to 57 per cent in the second quarter), FAULU PAR dropped from 16 per cent to 19 per cent in the same period; while RAFIKI PAR in quarter 4 2016 was at 76 per cent.(PROFIT Quarterly Progress Report, March 2018, pg.16)

component, sustainability will depend on the speed with which government builds on the PROFIT pilots.[187] The sustainability of financial inclusion will depend on the formalization of the savings groups and their linkage to formal financial services through microfinance and banks.[188]

187. Financial literacy training has been a useful way to equip groups to handle their own funds and access external credit. Evidence that this training has led to greater capacity to handle funds and access external finance and therefore sustainability has been seen in PROFIT, UTNRMP, SHoMAP and SDCP.

188. Elsewhere in the portfolio, rural finance models have shown only partial sustainability. CFSAs under SNDCP while the oldest community level financial services in the portfolio have shown mixed but generally weak sustainability.[189] Only 7 of the 16 CFSAs established under SNDCP are still operating today.[190] Inadequate staffing, poor security in remote locations, loan default and competition have all affected their survival, as well as their lack of clear legal status.[191] For SDCP, access to financial services and resources through linkages with financial service providers and private sector actors has been limited. Only 83 dairy groups have been able to access credit from local banks and microfinance institutions.

189. **Private sector**. The involvement of the private sector is a key element of sustainability. Where links have been made with private sector actors to enable continued commercial growth of production activities this has been valuable. Examples include dairy goats in CKDAPP, dairy group links to SACCOs and in some cases links to bulk buyers such as Brookside in SDCP, and links to traders for horticultural producers under SHoMAP. On the other hand, lack of linkages with financial service providers under SHoMAP and SDCP may hinder the sustainability of benefits that depend on continued access to finance to maintain and expand project assets.

Summary - sustainability

190. Across the portfolio, group formation and ownership have been a strong feature of IFAD interventions. Physical assets have been maintained where local authorities have taken them over. Where enshrined in law, user associations have continued to be effective and many have become self-financing. The targets for numbers of fully-sustainable groups have not always been met however and subsequent county government support has been mixed, while it is somewhat early to assess sustainability of financial services under PROFIT. A rating of **moderately satisfactory (4)** is given.

B. Other performance criteria

Innovation

191. In the context of IFAD's innovation strategy (2007), it is expected that operations will seek to mainstream innovation and include strategies, processes, partnerships and sharing of experiences to encourage it.[192] In short IFAD should be a catalyst for innovation. This commitment takes place furthermore in a country which is acknowledged as a leader in innovation by the World Bank.[193]

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[187] Both CARE and BOMA, the two implementing partners, are exploring linkages with SNV and KCEP in Samburu and Kitui to ensure that participants engaged in the livestock and grains trade have formal access to markets. PROFIT Supervision Report Final, Oct 2017, para 100, pg. 14

[188] PROFIT Graduation Progress Report, Jan 2018 pg.13

[189] Indeed, the SNDCP completion report noted that weak governance and risk management could affect sustainability after project closure.

[190] Interview with ex-Chair of Hoima Bay CFSA umbrella

[191] There is one example of a successful CFSA (Neutral Point in Nyamusi County) that has graduated to a SACCO with 4,000 members and capital of KES 24.5m. The involvement of local administration (chiefs, assistant chiefs and village elders) and use of government officers to provide credibility for the CFSAs and the contractual engagement of K-Rep development agency to support operationalization were key to their sustainability.

[192] Innovation Strategy, IFAD, 2007

[193] Kenya Country Economic Memorandum, WB, March 2016

192. The portfolio has taken innovation seriously in design and implementation. The last CPE called for a more coherent agenda to address the topic and expected the 2013 COSOP to highlight how it would be pursued. In response the COSOP specified that innovation would be sought under each of the three SOs, and specified bringing in new ways to tackle production and marketing and to include climate-friendly technologies into ASAL areas.

193. A good range of technologies, community approaches and financing tools have been designed and pursued across the portfolio. The key areas where innovation has been most prolific in design are with financial services (under PROFIT but also SNDCP and KCEP), under NRM (with MKEPP, UTNMRP and the Upper Tana Nairobi Water Fund (UTNWF) and in value chains, particularly in the more recent KCEP and ABDP. The introduction of agro-technology, partly supported by IFAD has been critical, at a time when resources for traditional extension services decline.[194] Agri-tec solutions are also an appropriate way to involve youth.

- PROFIT's design expected to foster innovation in several ways: by contributing to the development of a new Kenyan rural finance policy; development of a range of innovative financial products such as value chain financing, micro-venture capital modalities and weather index-based insurance; use of technology to provide critical financial services to a widely dispersed population[195]; up-scaling of cutting edge biometric point of sale devices by Jamii Bora[196] to help monitoring in the micro-finance sector. So far, because of the cancellation of the innovation facility, innovative practices have been introduced through DTMs' own processes.[197] There is no mention of a Rural Finance Policy being designed.
- MKEPP was innovative because of its introduction of school greening and its use of business planning and use of indigenous knowledge. The innovations have been extended under UNTRMP including for example hydroponics and solar-powered electric fencing.
- SDCP presents a model of smallholder success in the deployment of breeding, feeding and health technologies.[198] The deployment of community extension persons has also proved effective.
- In SNCDP the introduction of CFSAs was innovative in the sense of introducing an intermediate level of community banking to be linked with established banks or MFIs. Also innovative was the formation of community elected PADCs as co-ordination structures at community level (PCR Digest).
- For SHoMAP a number of innovations to promote best practices and to ensure effective programme implementation were found noteworthy (SHoMAP IE). On the other hand, some were not implemented (two nation-wide studies), or were of low quality (VCA studies), or gave mixed results (commercial villages and pilot initiatives).
- KCEP has introduced several innovative elements including the use of e-vouchers to improve access to inputs. The introduction of a value chain approach in ASAL areas has also instigated the innovative inter-weaving of different production and marketing elements such as conservation agriculture, a county climate change fund, climate information services,

[194] In Nakuru County, the Minister of Agriculture referred to the potential with 'agri-tec' call-centres and weather and market information systems. http://aims.fao.org/activity/blog/25-27-april-2018-east-africa-digital-farmers-conference-exhibition
[195] such as the M-PESA facility for transferring funds through the use of mobile technology
[196] An MFI that targets landless farm workers, pastoralists, women and other vulnerable groups.
[197] Such as the case of KWFT's dairy cow loans and dairy cow insurance, or via the help of the BSS TSPs (such as the development of innovative commercial bank services and products); under the RSF the design and adoption of anchor (SMEs) and wholesale lending (SACCOs) business models and adoption of mobile technology for credit delivery both by the RSF and Credit facility partners.
[198] IFAD Rural Development Report, Chapter 8 Agricultural Technology Innovation, Box 8.1, 2016

warehousing, and new partnerships with private sector and research agencies.

- ABDP also plans to follow a '4P' approach to value chains. This involves establishing innovative public, private, producer partnerships, and draws on business models from other sectors in order to institute mutually-beneficial contracts for production and marketing.

194. In summary, innovation is rated as **satisfactory (5).** This reflects the strong design elements for this criteria and the generally good implementation record in the majority of projects across the portfolio.

Scaling Up

195. Across the portfolio various notable examples of scaling up have been identified, although mostly within the project locality, yet opportunities were missed to reach a wider more regional or national audience.

196. For SHoMAP, 56 pilot initiatives were replicated by individual entrepreneurs and groups in and around the project area, and the Kilimo Biashara initiative by Equity Bank.[199] The value chain approach was also adopted by nearby county governments.[200] In terms of technologies, there is some evidence that these have spread beyond the target groups. Under SNCDP, farmers replicated the use of improved cassava and sweet potato varieties especially in Nyamira North, Kuria West and Suba. However, the PCRV notes that there is no evidence that the approaches and successful innovations introduced by the project were being widely scaled-up by Government, private sector or other development partners in their policies, institutions and operations. Nor is there any evidence that IFAD made proactive efforts to identify the pathways for scaling up, or invested specific resources (e.g. in documenting good practices for policy engagement) that could help scaling up

197. A stronger example of broader scaling up is in IFAD's work in the NRM sector. MKEPP was a pilot and several features were intentionally scaled up by UTNRMP such as forest rehabilitation and river basin protection covering a much larger area. For example, MKEPP introduced the School Greening Programme in which 1,177 schools participated. Subsequently, school greening has been adopted by the national and county governments as an approach to increase the forest cover in the country.

198. Where projects have been extended, results in terms of scaling up of tested approaches have been positive. SDCP's additional financing deliberately aimed for initial achievements to be scaled up within already targeted sub-counties and also to new counties. For example, in Nakuru County, IFAD-trained staff had been working in new sub-counties to create 29 dairy commercialisation areas and introducing commercial fodder production. Field days, demonstrations and study tours have all supported replication. Extending the initial KCEP design into KCEP-CRAL has allowed key elements such as the e-voucher system to be extended from maize areas in Western Kenya to sorghum and millet areas in ASAL areas.

199. PROFIT's financial leveraging - a form of scaling up financing beyond the initial IFAD investment - has already occurred to some extent in the case of AFC and KWFT. The National Treasury plans to replicate the RSF and CF, and AGRA is also supporting training on these approaches at the Kenya Monetary Institute.[201] The PROFIT approach (particularly the RSF and financial graduation) is being followed

[199] Interview with Equity Bank agribusiness manager
[200] In Bungoma, Nyandarua and Kericho counties according to the PCR.
[201] Knowledge Management Forum for IFAD Follow Up And Implementation Support Mission, Workshop Report, Kenya School of Monetary Studies, 24th April 2018

with interest by other development partners and some African countries as an innovative model that could be replicated in other regions.[202]

200. Finally, ABDP has taken on board earlier lessons from CPE 2011 on the need to define scaling up pathways early on in design. The design document specifies scaling up pathways, spaces and drivers in its planning and knowledge management Appendix 6.

201. In summary, there are several examples of solid scaling up both through extending the duration of projects (SDCP, KCEP to KCEP-CRAL, MKEPP to UTNRMP) and adoption by government and other actors. However, opportunities were missed to expand to a national level (SNCDP, SHoMAP) and in other cases are planned but yet to occur (PROFIT). Accordingly a rating of **moderately satisfactory (4)** is given.

Gender equality and women's empowerment

202. A good practice across the portfolio to reach women and youth has been the use of participatory approaches for community sensitisation and mobilisation, needs analysis, beneficiary/group/commodity selection and action plan development. Several projects have also consistently applied the good practice of on-site, rather than residential, trainings to promote the participation of women restricted by mobility constraints and care responsibilities (MKEPP, SDCP, SHoMAP, UTNRMP).

203. Quotas for women's and youth's participation in project activities and groups have also provided useful targets to guide outreach activities. They have also increased over time from 10 and 30 per cent up to 50 per cent, in reflection of the portfolio's increasing importance placed on gender equality and on youth engagement for rural development.

204. **Access to services and assets**. The portfolio has improved women's access to livestock, finance, training, and income-generating activities. Women were the main participants and beneficiaries of MKEPP support to poultry production, and dairy goats have been effective in SDCP and CKDAP. Women have demonstrably gained better access to financial services in SNCDP, SDCP and PROFIT. In SNDCP, women represented the majority of members (59 per cent), although men held majority shares in the CFSAs giving them greater say in decision-making. Women showed a preference for savings compared to men. Women and youth have also gained access to financial services in PROFIT through the financial graduation component and with loans from KWFT.[203]

205. Women have benefitted with men from the extensive gender-sensitive training and capacity building in projects covering topics from community-driven development to making business plans and improved production and marketing.

206. The impact assessments show that women have greater access to and control over assets than at baseline, including assets that were traditionally the domain of men only. In MKEPP, women had better access to beehives, goats, and cash crops. In UTNRMP, more assets (land, large stock animals, small stock animals, motorcycles, food crops, cash crops, farm tools, and household items) were co-owned by men and women by MTR than at baseline

207. **Empowerment**. There is evidence that women and men have a more equal voice at home indicating that community sensitisation and group training on gender issues have been effective. At the end of MKEPP, reportedly 74 per cent of households interviewed indicated that the gender disparity between men and

[202] PROFIT has hosted a mission from Ghana, which was interested in learning more from the programme and AGRA has proposed to develop a similar risk sharing model in Ghana. Ghana Incentive-Based Risk-Sharing System for Agriculture Lending (GIRSAL), Technical Assistance Facility, Kick start for Initial SME pipeline development. AGRA, 2018

[203] In the former case, women have started saving in Samburu county, where savings groups have not yet been established, to cover the National Health Insurance Fund premium after the project subsidy expires. In the latter, KWFT supports different value chains, and provides loans with insurance to vulnerable women to afford them some security.

women had been reduced. In SDCP, participating households were more likely to have women managing cash from the sale of milk relative to non-participating households.[204] For SHoMAP, the IE found that participating households were 5 per cent more likely to have a women managing the cash from both crop and livestock activities relative to non-participating households. The Gender-Action Learning System[205] is also strengthening women's influence in design-making at home and in groups. However, it is still too early in implementation to see results.

208. The portfolio has made a concerted effort to promote women's participation in leadership roles to increase their influence in decision-making. In CKDAP, 9 out of 47 FDA committees included women in senior management committees; while in SDCP, women represent important members of the Dairy Commercialisation Area Committees. In 2016, women represented 37 per cent of the 784 members.

209. There is little evidence of the portfolio's positive impact on gender relations. This may be because the information was not collected rather than reflect a lack of results. However, some negative impacts were reported. SNCDP's PCR raised the issue that women's absence from homes to participate in project activities, led to increased family quarrels. Under PROFIT, some husbands of women beneficiaries were reluctant to let their wives spend too much time on their businesses, and in Kitui, gender-based violence against some women had increased.

210. **Workloads.** Achieving a more equitable balance in workloads between men and women has proved only moderately successful:

- Investments in a range of domestic water infrastructures in CKDAP, SNCDP, MKEPP and UTNRMP, have decreased the distance women, and in some cases children, have to travel to fetch water, freeing up time for productive activities, other domestic chores and rest.
- Biogas digesters have been promoted to reduce firewood collection and the cutting down of trees. Although demonstrations were undertaken in CKDAP and SDCP, there is little evidence of their replication, and although the UTNRMP project sought to upscale the MKEPP initiative of supporting biogas generators there is no evidence of their uptake by beneficiaries.
- Energy-saving stoves to reduce firewood collection and cooking time were successfully adopted in MKEPP and SDCP though the effects on women's workload is not clear.[206] The stoves are also reported to be user friendly for even elderly women to use. However, overall the uptake is still low, requiring continued effort to increase rates of adoption.

211. **Women's health and nutritional levels** have improved**.** The focus of earlier projects on improving access to water, sanitation and hygiene and primary health care led to better health of the project beneficiaries. In SNCDP, the proportion of mothers going to formal health facilities rather than traditional birth attendants and traditional healers increased from 18 per cent at baseline to 35 per cent by completion. Support to poultry and dairy goat production for vulnerable women in MKEPP and SDCP led to increased consumption of eggs and milk, respectively, improving household nutrition. The financial graduation programme in PROFIT has started the promotion of improved health-seeking behaviour and access to healthcare. All 2600 of the women and youth participating in the programme are enrolled in the National Hospital Insurance Fund (NHIF), which provides them with free access to care.

212. **Institutional changes**. The improvement in gender equality and women's empowerment in project structures is mixed. Capacity building of project and

[204] This was also found to be true for decisions relating to use of services such as artificial insemination, anthelmintic drugs, tick control, vaccination and curative treatments, which are tasks traditionally undertaken by men.
[205] A household methodology, in SDCP, UTNRMP, KCEP and soon in ABDP.
[206] In UTNRMP, however, 546 energy-saving jikos have been adopted with 50 per cent time savings when cooking, reducing women's workload.

implementation staff on gender mainstreaming has been carried out across the portfolio, apart from in PROFIT. Responsibility for the implementation of gender strategies and social inclusion in general has been allocated to appropriate incumbents in the PMUs in CKDAP, MKEPP and SDCP.[207] The design of UTNRMP includes responsibility for gender and social inclusion in all the terms of reference of PMU staff and implementing teams, but in practice the Community Empowerment Officer covers gender and social inclusion issues. In SHoMAP and SNCDP, responsibility for gender and social inclusion was assumed by the M&E officer. In SNCDP it meant the focus was on enabling gender-sensitive M&E rather than mainstreaming gender throughout the project, although this was largely achieved through gender-sensitive community empowerment in the project.

213. In PROFIT, the promotion of gender equality and youth engagement is the general responsibility of the PCU, rather than an individual. Consequently, little has happened, outside of the financial graduation programme. It was not until three years after the MTR that recommendations were made to improve implementation arrangements.[208]

214. The expert on supervision missions is in most cases the Regional Gender and Youth Coordinator that covers the entire East and Southern Africa division for IFAD. To increase the frequency of gender and social inclusion experts on missions, other experts need to participate on the missions as well.

215. **Youth**. The outcomes of youth participation go largely unreported**,** making it difficult to understand how they benefitted from projects. [209] From the evidence that is available, youth have benefitted from: cows and other asset transfers in PROFIT enabling them to generate an income, improved access to savings and loans through CFSAs in SNCDP and KWFT in PROFIT, increasing their standard of living and resilience against shocks; and employment through SDCP by marketing milk on motorbikes.

216. **In summary**, the promotion of gender equality and women's empowerment in the portfolio has resulted in significant achievements, improving women's access to resources, assets and services and their influence in decision-making at home, in groups and in the community. In this way, the portfolio has contributed to addressing some of the root causes of gender inequality in rural Kenya and to challenging some traditional gender norms and roles. Less attention has been given to reducing women’s time poverty by promoting an equitable workload balance between women and men and this is reflected in the results achieved. The potential of the portfolio to enable gender transformative impact is set to increase with the the implementation of household methodologies in SDCP, UTNRMP, KCEP and ABDP. Weaknesses in reporting on gender issues in project reports may mean that the achievements are underestimated. Overall this criterion is rated as **satisfactory (5).**

Environment and natural resources management, and adaptation to climate change

217. **NRM** has been well addressed in MKEPP and UTNRMP (see effectiveness). Other IFAD projects contributed to NRM outcomes through for example the establishment of tree nurseries for agro-forestry and the rehabilitation of degraded areas (CKDAP, SDCP) and promotion of soil and water conservation (SNCDP, CKDAP). KCEP is now also addressing conservation agriculture in ASAL areas. Output targets were largely achieved in a range of water and soil conservation activities such as rain water harvesting, tree nurseries. Working through groups often led to high adoption rates

[207] For example, responsibility for gender and social inclusion is included in the terms of reference of the Group Development Officer in SDCP. .
[208] These included allocating responsibility for their implementation to an appropriate officer in the PCU – the M&E officer - and staff in implementing partners and sensitizing and building the capacity of implementing partners to mainstream gender.
[209] One of the main issues being limited collection of age-disaggregated data

in the community-based projects (CKDAP, SNDCP) while synergies were realised between agricultural and environmental objectives especially with agro-forestry and composting, and terracing and conservation tillage.

218. Some negative effects on the environment could be observed due to the increased use of farm chemicals. For example there is proliferation of aquatic weeds in the Ithatha Dam as a result of an increase in fertilizer use in the adjacent farms. Also increases in intensive dairy systems have the potential to affect public health, while zero grazing systems may also have some environmental impact particularly with regard to temperature, humidity and noxious gases such as methane. In addition there is likely to be pollution on the water system.[210] On the other hand recent research suggests that improved feeding systems and breed quality can reduce greenhouse gas emissions per litre of milk.[211]

219. In summary NRM has been well addressed in MKEPP and UTNRMP, and while other projects had elements that addressed this criterion there are also some concerns about the results of intensification and the limited attention to this area in financial services. A rating of **satisfactory (5)** is given.

220. **Climate change**. The portfolio can be assessed as having mixed quality in terms of recognising and addressing climate change mitigation measures**.** In the older projects (SNDCP, CKAPP, SDCP) recognition of climate risks was minimal and indicators not included. Nevertheless actions such as supporting drought resistant crops, biogas plants, energy saving stoves and tree nurseries appeared as part of the activities.

221. MKEPP and UTNRMP were more relevant from a climate change perspective as they included activities to rehabilitate forests, which are important for carbon sequestration, biogas technologies for climate change mitigation and support for drought tolerant crops for climate change adaptation. Indeed, MKEPP was recognized as a best practice in IFAD's Climate Change policy approved by the Board in 2010. KCEP-CRAL with its ASAL focus, more directly addresses CC aspects compared to its predecessor KCEP.[212] In PROFIT there was an overall lack of integration of CC-related activities, although the financial graduation component targets vulnerable farmers in ASAL counties (Turkana, Marsabit, Mandera and Wajir) and includes crop and livestock insurance.

222. Climate change adaptation strategies were relatively well incorporated into projects including conservation agriculture, irrigation, promotion of drought tolerant crops and integrated pest management. The main climate change mitigation practices were biogas, which were promoted with varying degrees of up take by CKDAP, SDCP, MKEPP, UTNRMP. Energy saving stoves at the domestic and institutional levels were promoted by MKEPP, SDCP and UTNRMP. Disaster preparedness measures were not effectively incorporated into many projects due to limited expertise and lack of data.

223. After lengthy negotiation, the inclusion of the NDMA[213] as a partner in the KCEP project is about to be concluded, with IFAD funds supporting adaptation investments (such as dams, agroforestry and storm water control structures). Partnerships with Sweden and UK have also been promoted through KCEP for the development of a County Climate Change Fund framework. Use of IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) is also expected to

[210] SDCP MTR 2010.
[211] Options for Low emission development in the Kenya Dairy Sector, FAO, 2017.
[212] It provides innovative measures such as crop insurance, climate smart conservation agriculture, promoting partnerships with the Centre for Training and Integrated Research in ASAL Development (CETRAD) and the Kenya Meteorology Department (KMD) to support climate change and resilience-related activities and by building in dedicated CC expertise in the Project Coordination Unit (PCU).
[213] Established by the National Drought Management Authority Act in 2016, NDMA provides a platform for long-term planning and action, as well as a mechanism for coordination across Government and with other stakeholders. NDMA has established offices in 23 ASAL counties considered vulnerable to drought.

support investments for improved NRM and resilience to climate change including crop insurance.

224. In summary, climate change is rated as **moderately satisfactory (4).**

C. Overall Portfolio Performance

225. The portfolio has aligned with government strategies for agriculture and the environment. It has evolved successfully to track IFAD's shift from community driven development to value chain approaches.

226. The IFAD supported interventions have been effective in the area of NRM, but performance has been mixed in the two value chain projects and in the central rural finance project. The portfolio has been affected by delays in disbursement, high management overheads for older projects, while staffing has faced both high levels of turnover and under-staffed PCUs.

227. Rural finance outreach has improved access to credit for group members. Food security impacts have been mixed with negligible changes in three projects but improved dietary diversity and food availability and three others. Impacts on policy can be described as moderately successful, with several pieces of legislation drafted and awaiting final parliamentary approval.

228. Group formation has strengthened empowerment but lasting impacts have often been undermined by lack of subsequent support from local leaders, lack of formal recognition and the effects of devolution. There is also a gap in the extent to which private sector actors particularly in credit provision and marketing are being encouraged to support the continued growth of community producer groups.

229. Gender has been a successful theme in IFAD's Kenya portfolio. This has led to improvements in women's access to assets and services, and their role as decision-makers.

230. Overall portfolio performance is rated as moderately satisfactory (4).

Table 9
Ratings for non-lending activities

Criteria	*CSPE Rating*[/1]
Rural Poverty Impact	4
Project performance	
Relevance	5
Effectiveness	4
Efficiency	3
Sustainability of benefits	4
Other performance Criteria	
Gender equality and women's empowerment	5
Innovation	5
Scaling up	4
Environment and natural resource management	5
Adaptation to climate change	4
Overall Portfolio achievement	4

[/1] Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

Key points

- The IFAD lending portfolio is well aligned with Government of Kenya policies and IFAD's evolving strategies.
- Effectiveness has been strong in terms of outreach and group development. Value chains projects have been mixed in performance but the NRM investments have achieved expected results well.
- Targeting has been sound geographically and with sufficient specificity to reach specific groups with potential as well as women and youth, with the exception of pastoralists.
- Available evidence suggests that an impact has been positive in terms of incomes, productivity, and group cohesion. Somewhat less impact has been seen in terms of policy reform.
- Sustainability at community level has been generally adequate, although devolution processes have affected how well local authorities have taken over project assets, and private sector actors have not yet come in with the expected support needed.
- Innovation has been notable in several projects, and scaling up has occurred to new regions or through extensions.
- Gender has been successfully targeted. Youth also has benefited though reporting on this is thin.
- NRM and climate change have been reasonably well addressed though some opportunities have also been missed.

IV. Non-Lending Activities

231. IFAD undertakes a range of non-lending activities to support the objectives of the COSOP. These include knowledge management, partnership building and policy engagement. This chapter provides an assessment and rating of the achievements of IFAD in each of these areas. In addition, the chapter also discusses IFAD grant-funded activities in Kenya.

A. Knowledge management

232. Attention to knowledge management in projects has been insufficient. Although KM products have been produced by some projects, such as the PROFIT workshop in 2018,[214] they have not been well harnessed by IFAD or others. Country level analysis has been limited: no review of the current COSOP has taken place from 2013 until this year, when a mid-term review was only recently conducted[215] even though this is the final year of the COSOP. Prior to this, the last COSOP review took place in 2012 and covered the previous COSOP.

233. IFAD has also paid less attention to strengthening Government's role and ownership in KM. The ICO has had limited resources for this work and in particular the integration of IFAD results into emerging national systems such as National Integrated Monitoring and Evaluation System (NIMES) as well as the County level equivalent (CIMES)[216] has not been strong[217].

234. Exchange visits between projects have taken place and a range of learning events have been held at key stages in the project cycle. Regional Implementation Workshops have also been useful in sharing experiences and building coordination across ESA (e.g. in Ethiopia 2012 and Zambia 2014).

235. Supervisions have been well staffed with comprehensive if often very long reports and these have contributed to sharing of experiences and lessons. On the other hand, the COSOP's expectation that additional resources would be provided for KM/M&E functions has not been fulfilled – there is no budget line for this activity. The ICO does not have a dedicated Communications Officer, which has led to poor sharing of IFAD's operations and results. For example the IFAD data on the joint donor project database (https://www.arddashboard.com) is very incomplete.

236. Communication on rural finance between projects and other agencies has been limited. There is little evidence from SDCP and SHoMAP that PCUs communicate with each other on rural finance and that they seek coordination with sector actors, apex bodies and agencies. Due to the delayed start of PROFIT, coordination of rural finance matters among PCUs and other APEX bodies was also affected. However, the situation is improving somewhat with a recently more active rural finance thematic group.[218]

237. Knowledge generation and sharing was also a theme of the selected IFAD-supported grants (e.g. through the integration of KM among project objectives or strategies). Three of them were regional initiatives that aimed to support staff of IFAD-supported projects to improve project management processes and results by fully integrating KM into all aspects of project management, including M&E, financial management, supervision and reporting.[219] As a result, material such as

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[214] Knowledge Management Forum for PROFIT, Kenya School of Monetary Studies, April 2018.
[215] Draft COSOP Results Review MTR, May 2018.
[216] Guidelines for the Development of County Integrated Monitoring and Evaluation System (CIMES), Ministry of Devolution and Planning, Government, 2016
[217] Interviews with ICO team.
[218] The PROFIT PCU has convened and will be chairing the Rural Finance Thematic group, which brings together all IFAD supported projects in Kenya. The first meeting will take place in mid-2018. The PCU has however been participating and making presentations on rural finance in a number of fora (such as Africa Finance Investment Forum and the National Credit Guarantee Scheme policy development process).
[219] These include: (i) Regional Knowledge Management Learning Process in ESA (2010-2012), implemented by AFRACA; (ii) Technical Support to Ex Post Impact Evaluations of Rural Development Projects Using Mixed Method Approaches (2015-2017), implemented by 3ie; Using Mixed Method Approaches Strengthening Capacities and Tools to Scale Up and Disseminate Innovations (2015-2019) implemented by PROCASUR.

flyers, videos and other related documents were prepared. However, this evaluation did not find tangible evidence in strong support of the influence of grants on IFAD's KM activities in the country.

238. **In summary**, while projects did produce a range of reports summarising results and lessons, the lack of resources available at country level, as well as the moderate use of grants to consolidate and share learnings (see next section on Grants) was a missed opportunity. Gaps in the COSOP reviews and the lack of learning and analysis from a diverse and relatively successful portfolio accompanied by weak M&E means that the CSPE therefore rates knowledge management as **moderately unsatisfactory (3).**

B. Partnership building

239. Involving a range of partners in project design has had mixed success, even though the 2011 CPE called for greater engagement with bilateral and multilateral development partners.

240. **Co-financing** has been successfully mobilised in some projects, although this has not been a prominent feature in the portfolio. Of the nine projects considered in this evaluation, less than 50 per cent (four) have had co-financing from international partners. Further, projects approved after 2002 and before 2010 did not have co-financing. These include the SNCDP, SHoMAP, SDCP and PROFIT. For projects that were co-financed, between 15 to 25 per cent of the total project financing came from co-financing. KCEP’s co-funding partnership with the EU and also DFID’s County Adaptation Fund have been productive. IFAD initiated the first phase of KCEP using purely EU funding, and then complemented this by expanding into KCEP with IFAD resources. Another strong partnership example is the complementary GEF support that also occurred under MKEPP. UTNRMP has then continued to build effective working relationships with KWS, KFS, Rhino Ark Foundation and Mt Kenya Trust. Other partnerships have not been realised as expected in the last COSOP, e.g. with the World Bank, USAID and AfDB. Evidence suggests that this has occurred because of two factors[220]: (a) the country relies on its resources for a significant proportion of its budget and is therefore less aid dependent than many other countries in the region; and (b) coordination by government of donor activities in the agricultural sector is weak, and many donors do not feel pressed to harmonize their activities better. For ADBP, the anticipated co-funding from GIZ has also so far proved problematic to date.[221]

241. **RBAs.** Good interaction has occurred with the RBAs under KCEP, and their complementary roles have been focused and valuable. FAO in particular has been closely involved in technical and training work around IFAD’s investments in aquaculture, ASAL and dairy.[222] FAO too has a large technical presence in Kenya with over 200 staff, which complements IFAD’s stronger financial footprint.

242. **IFAD and Government** continue to have a mutually strong relationship and interviews with a range of ministerial voices reiterate the high value placed on IFAD’s role in the country. At county level, too, IFAD has maintained good relations with implementation partners, and IFAD projects are seen as being responsive to local needs. In terms of service provision, a wide range of partners have been identified across projects. The main partnership has been with county government staff who have provided on the ground services to help target beneficiaries and

[220] Country Programme Issues Sheet (2012) and interviews with IFAD CPMs.
[221] Interview with PCU
[222] For example FAO designed the Dairy Training Institute that IFAD then funded under SDCP

implement activities. Supplementing these staff have been a wide range of other service providers.[223]

243. **Local government partners**. The need to strengthen local authorities and communities to manage their own development was captured in the 2007 and 2013 COSOPs and in project designs. The 2013 COSOP also recognised the emerging importance of devolution processes as a risk. However specific measures to help projects to adjust to these changes were not sufficiently identified or funded. The newer projects (KCEP and UTNRMP) have both been strongly affected by the transition process, and have increasingly adjusted their implementation arrangements in order to cope.[224] The design of the most recent project, ABDP, has proposed giving a leading role for county governments by transferring responsibilities and providing support.

244. **Private sector partnerships** have continued to be modest, despite CPE 2011 recommendations, and most projects have been government led and implemented. While tackling poverty reduction through commercialisation was a strong feature in the later projects, the role of the private sector was not so effectively built in at design for the horticulture, dairy and cereal value chain projects, and private sector actors were seen to have complementary though secondary supporting roles. How private actors were to engage was less clear as result of the limited use of value chain diagnostic analysis at design.[225] Projects tended to be government-led through their strong representation on steering committees and in terms of staffing using personnel recruited or seconded from government.

245. This has evolved somewhat in the recent operations, and certain private sector actors particularly banks, agro-dealers, traders and NGOs have taken a more active role, for example with SNV under KCEP and with Boma and CARE under PROFIT. Their involvement is likely to expand further under the most recent projects, such as ABDP with the planned private-producer investments (using the 4P model)[226] and through the financial leveraging under PROFIT. Key financial intermediaries such as Equity Bank, KWFT and AFC have increased their role in smallholder lending, stimulated by IFAD's risk sharing and credit support.

246. Nevertheless, the private sector could have been involved much more, for example as an active partner rather than just as a service provider or target for leveraging. For example private sector actors could have played a greater role on project design and on supervision missions, taken part in the CPMT, and brought in their experiences in major IFAD reviews, workshops and training fora.[227]

247. IFAD has continued an active partnership with AGRA around PROFIT although this has gone through some hurdles as the role of AGRA has changed from co-investor to service provider. AGRA is now drawing on the PROFIT model in its other operations in Africa.

248. **Grants**. Partnership building was also a key element of IFAD-supported grants in Kenya, in line with the 2007 and 2013 COSOPs focus on strengthening partnership with a large number of stakeholders (including NGOs, community based organizations, the private sector and universities). For instance, the UTNWF grant has been established as a multisector platform with a shared governance structure by the public and private sector. It has already institutionalized collaboration with national and county governments, lead agencies in water, forest and wetlands, businesses and local NGOs in Kenya. PRESA too has been working on a multi-

[223] such as the K-rep NGO in SNCDP (contracted to establish and develop 15 Community Financial Service Associations (CFSAs), KDB (for standards), KALRO (research), NDMA (drought assessment and training), Kenya Institute of Business Training (KIBT) (training)

[224] The challenge of building county ownership of the KCEP approach took intense efforts using the JASCOM forum before county governors signed an MOU on the way KCEP would operate . (Interview with KCEP PCU).

[225] Such studies being deferred to implementation in the case of ShoMAP and SDCP for example.

[226] 4P: Public, Private, Producer Partnership

[227] For example of the 34 attendees at the recent COSOP review workshop in April 2018, none were from the profit-oriented private sector (COSOP 2018 Review, Appendix V, Attendance list)

stakeholder platform involving ministries and agencies many of whom are also involved in IFAD's operations in Kenya.[228] However, the influence of such partnerships on IFAD's lending or non-lending operations in Kenya cannot be established with certainty.

249. **Overall,** IFAD has been quite effective in partnership building but mainly through its lending portfolio. Its achievements with the RBAs and government agencies have been offset by a weaker partnership achievement with the private sector. A rating of **moderately satisfactory (4)** is given.

C. Policy engagement

250. The 2013 COSOP noted that IFAD's policy engagement work had been weak and that its capacity would be strengthened in this respect.[229] A number of actions were specified: building capacity of government and communities to engage in policy engagement, participating in sector working groups, and operationalizing national policy at local level. These reflect an ambitious agenda, especially given the experience reported in the CPE of 2011 that policy work had underperformed against a backdrop of overambitious intentions in the 2002 and 2007 COSOPs.

251. The establishment of an in-country presence has been a valuable step in building IFAD's profile and strengthening implementation support. But the lack of resources to deliver on the non-lending activities and the limited linkages between the IFAD grants and the ICO team's needs and priorities has hampered their delivery. The relatively high turnover of CPMs (with five CPMs over the last ten year period) has also contributed to the inefficiency of engagement. Opportunities have therefore been missed to leverage IFAD's on-the-ground experiences and lessons to inform national policy processes.

252. IFAD's efforts in the policy sphere have been further hampered by the complex and changing government framework. Devolution in particular has changed the focus of policy work and has also brought some uncertainty as the processes required to establish county government capacity has taken time to emerge.

253. Nevertheless IFAD has been active in the sector working groups, and its contribution has been seen as particularly strong in the past five years. Based on interviews with government and selected partners, we judge that IFAD has been perceived as bringing important field validation of policy issues. However, based on interviews with the in country office team (ICO), there has been little reporting or stocktaking of IFAD experiences in a form that could provide more influential input into these fora. The Country Office has not had the budget or manpower to tackle such work, especially given that some of the staff also have regional responsibilities, and to this extent its policy contribution is less than could be expected.

254. As noted under Impact, a number of policy documents have been drafted with IFAD assistance (on for example Horticulture, Dairy and Animal Feed) but according to our interviews with Ministry of Agriculture officials some of these have not yet been enacted by parliament. This is partly due to the disruption of the recent elections, but it is disappointing that the good work at local and sub-sector level has yet to bear fruit.

255. IFAD's rural finance initiative has been influencing on policy thinking in the sector, with other partners and government taking up the PROFIT leveraging model. While there has as yet been no contribution to the formulation of a broad rural finance

[228] These stakeholders include: Ministry of Water and Irrigation, Water Resource Management Authority (WRMA), Water services trust fund (WSTF), World wide fund (WWF), Jomo Kenyatta University of Agriculture and technology (JKUAT), Nairobi city water and Sewerage Company (NCWSC), Sasumua water resources users association (SWRUA), CARE Kenya, The Nature Conservancy Kenya, Kenya Electricity Generating Company Limited (KENGEN), National Environment Management Authority (NEMA), Kenya Forestry Service (KFS), Ministry of Agriculture, and Kenya Agricultural Productivity and Sustainable Land Management (KAPSLM) Project in the Ministry of Environment and Mineral Resources.
[229] COSOP 2013, p.4

policy, a Kenya Credit Guarantee Policy and Bill has been drafted. The e-voucher modality promoted under KCEP has been taken up by the Agricultural Sector Strategy and is reflected in the Big Four Agenda.

256. **Grants**. Policy engagement was one of the focus areas of IFAD grants, with some positive results. For example the grant in support of the African Green Revolution Forum[230] led to the President of Kenya announcing his government's commitment to invest US $200 million so at least 150,000 young farmers and young agriculture entrepreneurs can gain access to markets, finance and insurance. Another example is the grant for Pro-poor Rewards for Environmental Services in Africa (PRESA) that contributed to the adoption of rewards for environmental services in the Kenya Water Policy under the new Constitution of 2010 by informing a land restoration mechanism based on a case study developed in Sasuma.

257. One issue related to policy engagement is the difficulty in directly linking grant interventions at country or regional level to policy reform since to a large extent, such changes result from a multitude of stakeholders. However, it can be argued that grants have been able to indirectly influence the policy environment by building the capacity of their members through seminars, workshops, exchange tours and focused studies, thus enhancing the capacity of the members to lobby from an informed point of view.

258. In conclusion, policy engagement is rated as **moderately unsatisfactory (3).** The 2013 COSOP agenda remained as ambitious as the earlier COSOPs, yet while a country office was established in the interim, and good engagement has occurred within sector fora, limited resources were provided and no clear mechanisms were defined to really take policy work forward to a new level. Most policy engagement occurred around the lending operations, and results have been hindered by slow policy approval processes.

D. Grants [231]

259. **Grants portfolio**. The grants portfolio in the period covered by the CSPE (2011-2018) consisted of a total of 65 grants[232] with a value of approximately US$155 million.[233] A large number of these IFAD-funded and/or managed grants were provided under the global/regional window that included some activities in Kenya (59 grants, or 91 per cent of all grants, worth US$115 million). Of the remaining six, three were funded under the country specific window and the other three under the Global Environmental Facility (GEF) and other windows (see table 5 annex VII). Overall, out of the 65 grants, 26 were co-financed. Co-financing was particularly relevant for global and regional (GLRG) large grants (covering US$57.8 million or 56 per cent of projects financing) and Global Environment Facility (GEF) grants (covering US$26.4 million or 72 per cent of projects financing). Global and regional small grants where instead primarily financed with IFAD resources for a total amount of US$3.6 million or 94 per cent of total financing. In eight cases IFAD did not make financial contributions but provided technical support or ensured project coordination and supervision.

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[230] A multi-stakeholder initiative that aims to discuss and develop concrete investment and development plans and policy support strategies for agriculture value-chain development in Africa. The AGRF partners, that includes Government of Kenya, pledged to: pursue a political, policy and business agenda intended to accelerate smallholder-inclusive agricultural transformation in at least 20 countries.

[231] The objectives of IFAD grant financing are to: (i) promote innovative, pro-poor approaches and technologies with the potential to be scaled up for greater impact; (ii) strengthen partners' institutional and policy capacities; (iii) enhance advocacy and policy engagement; and (iv) generate and share knowledge for development impact (source: IFAD Policy for Grant Financing 2015, EB 2015/114/R.2/Rev.1).

[232] Grants covered are those: (i) whose date of completion is after 1st January 2011 and date effectiveness is by December 2017; (ii) having Kenya among focus countries (it implies that grants having the recipient based in Kenya but not being implemented in the country were not taken into account). Also, grants contributing to finance investment projects were not included.

[233] For grants in EUR, amounts were converted in US$ using the exchange rate at 10/01/2018

260. **Benefitting organizations and thematic areas**. The vast majority of grant recipients were CGIAR centres, not for profit organizations and NGOs, followed by farmers and producers' organizations as well as research institutions.

Table 10
Grant recipients (numbers) by window

Grant Window	*CGIAR org.*	*Not for profit org.*	*NGO*	*Farmers – prod. org.*	*Research org.*	*Regional org.*	*Umbrella org.*	*UN Agencies*	*Foundation/ Trust*	*Other*
Total	15	10	10	6	5	4	4	3	3	5

261. **Thematic focus**. The key grants thematic areas included marketing and knowledge management (KM) followed by policy engagement and natural resources management (NRM), women and youth, farm technology and support to farmers and producers' organizations (FOs). On the other hand, there were few grants related to some key focus areas of IFAD-supported operations in Kenya such as arid and semi-arid areas (ASALs).

Table 11
Grant themes

Grant Window	*Marketing*	*KM*	*Policy engagement*	*NRM*	*Women/ Youth*	*Farm technology*	*Farmers - prod. org.*	*Indigenous populations*	*Other*
Total	7	7	6	6	5	5	5	3	21

262. The two country specific grants included in the analysis have strong linkages with IFAD's investment portfolio in the country. The UTNWF which consists of a Public-Private Partnership to create a water fund in the Upper Tana River basin for natural resource management, is working in some of the same areas as those of UTNRMP and therefore with some of the project's beneficiaries. The KCEP-CRAL Window works directly with KCEP CRAL to support coordination in the implementation of IFAD-supported KCEP-CRAL project at county level in line with the Kenya County Integrated Development Plans (CIDP) with the assistance of FAO (the grant recipient). The uptake of their results is in the emergent stage as these are relatively new grants.

263. **Innovations.** The selected grants pursued the introduction of innovative approaches and tools**.** This occurred through:

- the use of new technologies or tools (e.g. the use of mobile phones to share behavioral nudges with farmers under UTNWF; the use of the new technology "Livestock Protective Net Fence" (LPNF) developed under the Development of Innovative Site-Specific Integrated Animal Health Packages for the Rural Poor; the development of a mobile app - "Uza-EACapp" integrating simplified information packs/guides on requirements/procedures for cross-border trade in the EAC under REACTS; the development of tools for measuring grass-root institutional building under the Enabling Rural Transformation and Grass-Roots Institution Building.
- the adoption of innovative learning systems (e.g. the service desk developed under KMP, receiving requests from IFAD projects in the field of RF to provide responses in real time; the promotion of south-south cooperation through the learning route methodology and the design of innovation plans under the PROCASUR grant; the organization of annual innovation competitions under the Strengthening Capacity of EAFF Through Knowledge Management and Institutional Development).
- the rewards for environmental services (RES) under PRESA represented a novel approach for linking ecosystem stewardship with the interest of ecosystem service beneficiaries in African contexts.
- an innovative project in the area of NRM is the UTNWF which is the first water fund of its kind in Africa.

264. However, there are no concrete examples of the innovations been used in the Kenya lending portfolio.

265. **Synergies.** An effort was made to ensure synergies across loan and grant operations. Some of the grants analyzed have had linkages with four IFAD-supported projects that are part of this CSPE: SDCP, MKEPP, UTNRMP and PROFIT. The linkages were done, and in some cases achieved, in ways that can be categorized as follows:

- Focusing on the same targeted populations of IFAD investment projects or on populations living in zones covered by IFAD investment projects (e.g. Scaling up Bee-keeping targeted poor rural people in IFAD project areas (MKEPP and UTNRMP in Kenya); REACTS focused on smallholder producers targeted by programmes supported by IFAD such as SDCP and UTNRMP.
- Providing input, assistance, support and/or coaching. The KMP III participated in the design mission of UTNRMP and in technical implementation missions for PROFIT. However, there is no evidence of the recommendations been adopted.
- Implementing activities in collaboration with IFAD-supported projects. This was the case for REACTS where a consortium was initiated linking seven SDCP diary cooperatives (with 6,200 members) to a diary processor (New Kenya Cooperative Creameries) to fill the 90,000 liters of milk per day deficit.
- Developing and adapting tools to assist IFAD-supported projects. For example, through TSLI-ESA the UTNRMP used the Social Tenure Domain Model (STDM) for its natural resource management objective. Also, a manual offering a set of guidelines for Sustainable Land Management technologies, water and carbon benefits was developed for MKEPP. The Development of Innovative Site-Specific Integrated Animal Health Packages for the Rural Poor grant supported SDCP to incorporate the animal health package into its activities.

266. **Results**. The outcomes related to adoption of grant activities in the lending and non-lending portfolio are moderately positive. Some concrete examples include the capacity-building capacity for community groups to improve their production and incomes as well as promoting tree planting under PRESA that was taken up by UTaNRMP. At the policy level, PRESA contributed to the mention of RES in the Kenya Water Policy under the new Constitution of 2010. Other documentary evidence of uptake of grants at the policy level is very limited.

267. Some reasons related to the modest uptake of grants were: (i) in some cases, the uptake was hampered due to design issues;[234] (ii) the very low private sector coverage where, only one potential 'buyer' was available in most sites resulted in a limited demand; (iii) at landscape level, actions were conducted at very small scale compared to the size of the watersheds and this limited their relevance to policy makers.

268. In other cases, the design features of a grant had to be modified to ensure the uptake of results. The PRESA's approach of implementing Payment for Environmental Services through direct payments was not sustainable as it involved cash payments and was supply-driven. The UTANRMP modified this approach through providing matching grants to CIGs, WRUAs and CFAs, as opposed to paying cash, and by using a demand driven approach whereby beneficiary community groups were trained on writing proposals from their respective plans-Community action Plans for CIGs, PFMP for CFAs and SCMP for WRUAs to make it more sustainable.

269. In the case of some grants that focused on knowledge management, such as the KMP III, there was lack of a clear framework to engage with the country programmes. This resulted in knowledge being disseminated through regional

[234] For instance, in the case of PRESA, the cycle of the project was too short to result in private sector engagement and the building of such approaches into the companies' business structures

workshops as opposed to country-level workshops, which would have been more effective.

270. **Overall**, the grant portfolio of Kenya has been broadly relevant and aligned to IFAD strategies. Grants funded areas of key importance to the country strategy and thus have contributed to COSOP objectives. In addressing relevant issues, the regional grants created good linkages with lending portfolio. On the other hand, although grants targeted relevant thematic areas, few documented examples exist that demonstrate the uptake of results from their activities. The grant portfolio that includes Kenya as a recipient country is large. However, regional grants account for the lion's share of this portfolio. This is possibly one cause of low uptake of their results in Kenya which could have benefited from more country-specific grants. On the other hand, managing more country-specific grants requires adequate staff capacity in the country which may be a constraint currently.

Table 12
Ratings for non-lending activities

Type of Non-lending activity	*Rating*
Knowledge Management	3
Partnership Building	4
Policy engagement	3
Overall	3

Key points

- Policy engagement has been restricted to sector working groups. Projects have supported drafting of various policy documents though none have been fully adopted.
- Partnership building has also delivered mainly through project mechanisms, particularly with the RBAs and the EU. Anticipated partnerships with WB, USAID and AfDB have not occurred. Private sector partnerships have been modest though there are some notable examples.
- Knowledge management has shown disappointing performance, and the ICO has not had sufficient resources to fulfil the COSOP expectations.
- Grants: have been aligned to IFAD strategies and contributed to COSOP objectives. While there were linkages with the lending portfolio there were limited examples of uptake because most grants were regional in nature.

V. Performance of partners

A. IFAD

271. The last CPE (2011) found IFAD's engagement in Kenya significantly strengthened. It had reactivated a suspended portfolio in the 1990s, and since 2000 prepared two COSOPs for Kenya and financed six new loans. Later IFAD established a country presence (2008), shifted to direct supervision and implementation support (2012) and set up a Country Programme Management Team (CPMT).

272. In the following period the CPM has been out-posted (2012), a new COSOP has been prepared (2013), and three new projects initiated (UTNMRP 2012, KCEP 2014 and ABDP 2018).

273. The **IFAD office in Nairobi** has been strengthened with the out-posting of the CPM. Yet the office faces a high burden with regard to coordination because of the large donor presence in Kenya and the dual country-regional role of the ICO. There are currently five staff contributing to strategy and policy engagement. Three of these however (covering Gender and Youth, Environment and European Union operations) also have a regional role. The regional hub role of the office provides access to much needed technical expertise, but it also places an additional layer of complexity for the IFAD team. The relatively rapid turnover of IFAD CPMs has also been an issue in Kenya affecting continuity of engagement.[235]

274. **Country Programming and Review** has shown varied effectiveness. The CPMT was very active in the past especially around the formulation of the last COSOP. It consisted of a wide group of stakeholders including the ICO team, other donors, IFAD project staff and private sector. Indeed the 2013 COSOP foresaw the CPMT as an important mechanism to review and share progress. But in the past five years its role has diminished and there is little reference to its activities in the recent past.[236] Equally, the COSOP reviews have not been a regular feature since 2013, although a review has taken place in early 2018 (see COSOP performance).

275. **Project designs** were innovative in several areas, including in NRM, rural finance and ASAL interventions. On the other hand, design processes did not focus on reducing complexity (in the case of KCEP and PROFIT), as recommended by the last CPE (2011). They also did not propose ways to overcome the implementation delays common at start for new projects, and which affected all projects consistently (see Efficiency). Sensible upscaling was also done, for example from MKEPP to UTNRMP, with SDCP and its extension, as well as expansion of KCEP to KCEP-CRAL. The extension of SNCDP and MKEPP for two years was sensible too, to allow for completion of activities (SNCDP) and design of upscaling (MKEPP).

276. **Direct supervision** has been a turning point in the portfolio. Project PCRs lauded the better support provided, and found the approvals process easier than when UNOPS was administering the portfolio (MKEPP, SNCDP). IFAD supervision has been effective and timely. Missions have been mostly six monthly and either for the purposes of supervision or implementation support. They were well staffed and appreciated by stakeholders. Mobilisation of technical expertise and timely follow-up made were instrumental in turning around underperforming projects.[237] Some missions deployed very large teams of 10-20 personnel; others were narrowly focussed on technical aspects and had critical expertise missing, for example on gender and social inclusion. [238] Supervision reports have been extremely comprehensive, but often very long (sometimes well over 100 pages). They have

[235] There have been four CPMs since 2010, each serving around two years (Table1).
[236] According to IFAD's records (GRIPS), it last met in 2015.
[237] Strong supervision as well as support accounted for the turnaround in the performance of PROFIT. It was rated unsatisfactory in 2016 and a project at risk, but with intensive support from the ICO and the help of supplementary technical assistance, it has rapidly improved its disbursement rate and quality of PCU staffing.
[238] A gender and social inclusion expert was present on only 4/15 missions for SDCP, 2/14 missions for SHoMAP and 3/14 missions for PROFIT. UTNRMP is the notable exception, with a gender and social inclusion specialist on 5/7 missions and high quality reporting on gender issues.

had good involvement from Government personnel and thus often provided an opportunity for policy engagement.

277. **Policy engagement**. Since it established its country presence in 2008, IFAD had higher and more effective interaction with Government, partners and projects. IFAD has been active in the donor coordination groups such as the Agricultural Rural Development Group (ARD), although it has not taken a chairing role so far. It is seen as a valuable partner with strong field knowledge and valuable experiences to share.[239]

278. Government feels positive about IFAD's role. It finds IFAD's country team engaged, responsive and easy to work with compared to other partners.[240] Though other donors have adjusted and supported devolution more effectively,[241] IFAD projects have been flexible to engage with county departments and adjust to the creation of new counties and sub-counties. The Nakuru County Agriculture Minister, for example, noted that IFAD funding had been key in ensuring farmers' voices were heard in planning processes, and IFAD's support for value chains in dairy and cereals had been influential on policy making and in the CIDP. [242]

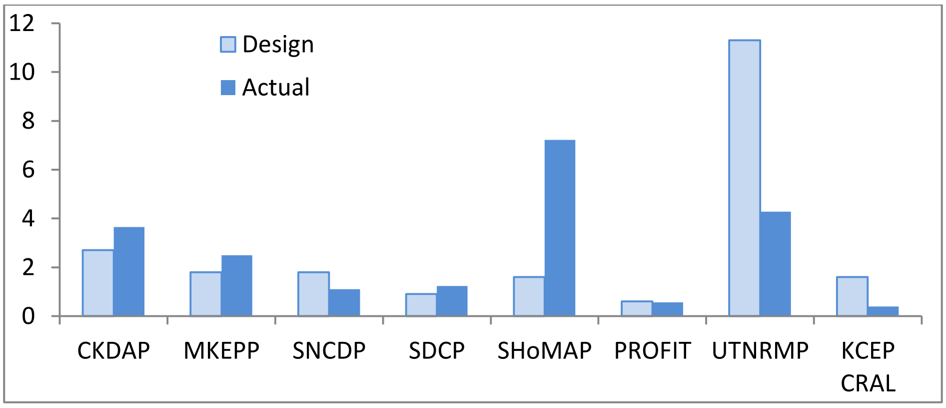
279. In sum, IFAD's performance was positive in terms of project design and supervision aspects, but more mixed in its country portfolio management and partnerships. A rating of **moderately satisfactory (4)** is given.

B. Government

280. Government remained committed to the sector and had demonstrated a high degree of ownership, although frequent changes in the roles and responsibilities of ministries particularly in the agriculture sector and other agencies over the CSPE period have proved difficult for projects to adjust to.

281. **Commitment and ownership.** Government's commitment to IFAD-supported projects is reflected in its contribution that has usually exceeded the amount pledged at design. The data presented in Figure 4 below illustrates this aspect. Barring SDCP (UTNRMP and KCEP CRAL are still ongoing), government's actual contributions have been higher than what was planned at design. This is particularly the case with SHoMAP where the government contributed additional funds for completing the market structures. The contribution has ranged from some 3 per cent, as in the case of PROFIT, to approximately 22 per cent, as in the case of SHoMAP.

Figure 4
Government financing at design and actual (in million US$)



Source: Annex VII, Table 6

[239] Based on interviews with representatives from FAO, Swedish Embassy and USAID and the secretary of the ARD.
[240] Based on CSPE interviews with senior Ministry of Agriculture and Livestock staff
[241] The World Bank for example has a dedicated project to support decentralisation
[242] KIIs with KCEP regional coordinators and Minister of Agriculture, Nakuru County

282. **Devolution process**. The ongoing process of devolution has affected the country programme in various ways. From 2013 onwards, when the devolution policy came into effect, increasing implementation responsibility for projects was placed on county governments rather than line ministries. In SHoMAP, counties were expected to contribute to the completion and running of market structures but only half of these were in use at the time of the impact evaluation. In UTNRMP, devolution impacted the assignment of budgets, where the 2013/2014 AWPB was devolved to counties instead of nationally under the Ministry of Environment, Water and Natural Resources (MEW&NR). County Programme Coordinators were also prone to being transferred to different sub-counties or departments within the county and county ministries of agriculture faced inadequate funding and shortage of capacity especially where former counties were subdivided into new smaller counties.

283. As noted in the Government's 2016 devolution reform strategy[243], there have been numerous challenges facing county governments that have impinged on their ability to effectively plan, sequence and monitor the delivery of services. The evaluation mission observed that these issues were most acute in the Eastern region, while in the Western region the situation is somewhat better due to the earlier establishment of KCEP and good relations over many years with SDCP.

284. At district/county level, facilitation teams were the mechanism that was used to provide coordination with local government structures. Except for the recent ABDP, these arrangements kept nearly all financial and procurement control with the PCUs. For KCEP, the pressures from counties to assume greater control over their finances and development plans led to an extended period of hiatus in 2015 until an MOU was signed with the relevant county governors.[244]

285. **Project management/coordination units.** The Project Management/ Coordination Unit (PMU/PCU) model has worked to the benefit of projects in terms of finance and procurement, especially from 2013 on when devolved systems were taking time to become effective. The PMUs reported to their appropriate parent ministry and operated in parallel to devolved government structures. Sound arrangements were usually made to set up steering bodies to guide implementation, with key ministries and other agencies nominated for this purpose.

286. On the other hand, setting up PMUs took much longer than anticipated, except where projects were extended (SDCP). Later projects (such as PROFIT and KCEP) did not seem to learn from the experiences of earlier projects (such as SDCP, CKDAP, SNCDP) at least in terms of PMU staff recruitment, baselines and setting up partnership agreements

287. On the whole the PMU approach was appropriate in terms of meeting fiduciary and monitoring needs. On the other hand, M&E has been on the whole an area of weakness according to supervisions and reviews, with the average PSR rating across the portfolio of 3.8 and showing a declining trend (figure 11, annex VII).

288. Since 2016, projects have had to work harder to integrate with county-level arrangements, and the KCEP design was the first to reflect strongly the county-led responsibilities for executing the project, while at the same time retaining most financial controls in the PCU.[245] The most recent project, ABDP, has been able to reflect more clearly the new relationship between national and county government by setting up dedicated project accounts at county level alongside the national account.

[243] Policy on Devolved System of Government, Ministry of Devolution and Planning, October 2016
[244] Interview with KCEP PCU
[245] To overcome the gaps in county-level capacity, FAO were to provide training support to county staff and the KCEP PCU has set up three regional offices (in Nakuru, Kitui and Mombasa) to ensure closer liaison with counties while also reflecting different agro-ecological demands.

289. In the case of PROFIT, an embedded PMU design was proposed to work within the Micro Finance Unit in the National Treasury to oversee implementation, with the idea that this would allow strong linkages to other initiatives.[246] Other components were to be outsourced to a range of service providers particularly AGRA, which would manage the risk sharing facility. The Government did not focus enough attention on these arrangements however. The staffing and procurement needs were relatively small compared to other major programmes run by the Treasury. This led to delays in PCU staff recruitment and in setting up MOUs with partners.

290. **Compliance** with loan agreements and loan conditions by Government has been overall very good. In general the anticipated government contributions have been met or exceeded. For MKEPP, for example, the PCRV noted that Government participated in all aspects of project design, negotiation, loan agreement, implementation, supervision and offering implementation support, undertaking specific studies, reviews, auditing and reporting. The government adhered to all the loan covenants including the provision of counterpart funding with its contributions amounting to 140 per cent of the expected amount.[247] According to the final supervision mission, SNCDP had complied with all loan covenants.[248] There were some issues with procurement however, namely slow completion of infrastructure projects.[249] In general despite the wider issues of corruption in Kenya, the portfolio has remained unaffected by misuse of funds.

291. Government performance overall is rated as *moderately satisfactory (4),* based on its providing continuing policy emphasis to the sector, good loan compliance and improving fund flow, but offset by the continuing underfunding of the sector, and delays in building capacity at local government level to support implementation.

Key points

- IFAD as a partner has performed well in terms of strategic direction, project design and supervision, but with less success in terms of programme management, ICO stability and partnerships.
- Government of Kenya has shown continuing commitment to the agricultural sector from a policy perspective though not from a budget allocation point of view. Loan compliance has been good, but disbursements have been sometimes slow reducing efficiency and project delivery. PMU staffing has been problematic.
- Devolution processes have had an affected on all projects in the portfolio except PROFIT which is implemented at national level. Implementation units have evolved various mechanisms to adjust to the growing role of county governments.

[246] such as the WB Financial Sector Deepening Trust (FSDT) and the Micro-Finance Sector Support Credit (MFSSC) project funded by the Agence Française de Development (AFD)
[247] MKEPP PCRV 2014. Para. 83
[248] SNCDP Supervision Mission July 2013. Para. 40
[249] SNCDP Supervision Mission report July 2013. Para. 43

VI. Country programme and strategy performance

292. This chapter assesses the relevance and effectiveness of the evolving country strategy pursued in Kenya by IFAD and the Government since 2011. The assessment draws on the analysis in Chapter III on portfolio performance, Chapter IV on the assessment of non-lending activities and Chapter V on performance of partners.

A. Relevance

293. **Strategic alignment**. The 2013 COSOP covered a period of transition from external to in-country management of IFAD's portfolio and presence, and introduced a major shift away from area-based rural development projects to value chains and ASAL areas, as well as working more closely with the private sector. The focus on ASAL areas remains a key theme presenting major technical challenges in a period when climate change is occurring. As the private sector continues to grow strongly in Kenya and the emphasis on the role of private investment in agriculture expands (for example in the new Big 4 agenda),[250] IFAD has had to reposition itself to incorporate these priorities. Yet it has not found the task easy.

294. There is a significant and predictable issue of strategy-to-execution time lag (that is the difference between the COSOP timeframe and the design and execution of projects).[251] Projects that were designed under the earlier 2007 COSOP are being implemented under the 2013 version. The identification of rural finance as a key objective was clear in 2007 however the 2013 COSOP makes relatively little mention of this sector[252]. This downgrading is surprising given the substantial investment that was to be provided through PROFIT.

295. Equally, the two projects that are most clearly aligned to the COSOP 2013-18 framework are only now beginning to deliver results (KCEP) or due to begin shortly (ABDP). These will therefore run over into the next COSOP phase. This strategy to execution time lag seems to reflect the marked contrast between the rather rapid pace of policy evolution in IFAD and the much slower ability to deliver on the ground.

296. **Value chains**. The importance of pro-poor value chains has been progressively acknowledged in IFAD's corporate Strategic Frameworks. According to the Strategic Framework 2007-2010, value chain analysis was one of the key elements that should underpin the efforts to address the lack of markets for poor producers. Similarly, in the Strategic Framework 2011-2015, value chains were to be at the centre of IFAD's rural development strategy to generate opportunities for increased incomes and employment both on-farm and off-farm. The current Strategic Framework 2016-25 considers value chains as major features of IFAD's operations and Public-Private-Producers-Partnerships (4Ps) as one of the mechanisms to be developed around value chains. Value chain thinking also forms part of IFAD's other strategies.[253]

297. The COSOP 2013 has identified agricultural value chains as one of the comparative advantages of IFAD in Kenya. It also called for innovation when working with value chains – under SO1 it calls for use of low-carbon technologies for value chain development and under SO3 it argues for innovative public/private partnerships along the agricultural value chain. In response, IFAD has taken on a large number of very different value chains with varying technical, marketing, financing and targeting demands. This complexity has led to a range of implementation

[250] Policy on Devolved System of Government, Ministry of Devolution and Planning, October 2016
[251] An issues noted in the recent COSOP Results Review draft, April 2018, version 11.
[252] It appears only as an Output under SO1.
[253] For instance, the Private Sector Engagement Strategy 2012 makes extensive reference to value chains and underlines the central role of farmers' organizations to increase farm-gate prices and improving incomes of small farmers within value chains. The 2009 IFAD Rural Finance Strategy also envisages innovative products that could target actors throughout agricultural value chains.

challenges, and as such the choices could have been more selective or rather less ambitious.

298. **Targeting.** The 2013 COSOP showed an increasingly comprehensive understanding of IFAD's target groups, in terms of the sub-groups therein and their respective levels of poverty and economic activities on farm, off-farm and along value chains. Following in the footsteps of the 2007 COSOP and in line with IFAD (2008) Policy on Targeting, the core target group of the country strategy was the poor and semi-subsistence smallholders and agro-pastoralists with the potential to produce or already producing a marketable surplus. In addition, the broader target group included the poorest smallholders and pastoralists, which was a relevant approach in the context of rising income inequality.

299. As noted in Chapter II, Kenya has a progressive national legal, policy and institutional framework to promote gender equality and women's empowerment. However the benefits have yet to be fully felt by rural women, whose lives are governed by informal customary laws and social norms that perpetuate gender inequality and limit poverty reduction and economic growth. In response, the portfolio has clearly identified women and female-headed households as important target groups of programme interventions and strived to promote gender equality and women's empowerment in all project designs. The inclusion of women and FHHs in project target groups is in line with the IFAD COSOPs (2002, 2007, and 2013) and the IFAD (2006) Policy on Targeting, which affirms IFAD's special focus on rural women for reasons of equity, effectiveness and impact.

300. **Grants**. Overall, the interventions and support funded by grants were broadly aligned with IFAD strategies, including the 2007-2012 and 2013-2018 COSOPs and with IFAD Strategic Frameworks.[254] For instance, the grant seeking to improve IFAD's role as a knowledge broker on rural finance (KMP) was relevant and in line with the SO3 of COSOP 2007 and the IFAD strategic frameworks' focus on enhancing the access of poor rural women and men to a broad range of financial services, and enabling them to develop the skills and organization they require to take advantage of such services. SO1 of the COSOP 2013 (gender-responsive, climate-resilient and sustainable community-based natural resource management is improved) was reflected in PRESA. This grant sought to generate evidence and facilitate mechanisms that enable recognition and appropriate rewarding of land management practices that generate ecosystem services.

301. SO2 of the COSOP 2007 and SO3 of the COSOP 2013, that aimed to increase incomes of the rural poor through the utilization of technologies, market oriented production and increased market access, were to be achieved through developing efficient linkages of smallholders to regional markets (REACTS) and generating livelihood options for greater incomes through enhanced productivity and organic certification (Scaling up Bee-keeping and other Livelihood Options). Similarly, the grant Enabling Rural Transformation and Grass-Roots Institution Building aimed to provide support to smallholder organizations in the context of organizational development, as per IFAD's objective to support poor rural people's organizations and with the 2007 COSOP objective of ensuring that poor rural people have better access to, and the skills and organization they need to, take advantage of policy and programming processes at the local and national level.

302. **The mix of instruments** deployed during the COSOP has not been so optimal. While both the lending portfolio and the grants have generally been well devised and effective in accordance with the SOs, the synergies between lending and non-lending could have been stronger. This is largely due to the weaker performance of policy engagement and knowledge management and the often distinct and separate role of grants, (other than those embedded as part of lending operations). This gap is especially striking given the CPE recommendations in 2011 (para 62).

[254] The Strategic Frameworks taken into account are the following: 2007-2010; 2011-2015; 2016-2025

303. Given the strong relevance of the thematic focus and the targeting approach, yet the insufficient focus on non-lending activities within the strategy, the rating for *COSOP* relevance is **moderately satisfactory (4).**

B. Effectiveness

304. The 2013 includes three strategic objectives: SO1 on natural resources management, SOW on agricultural productivity (yield increases, improved services, stronger production groups) and SO3 on value addition and markets. Findings on performance are hindered by the lack of alignment of RIMS indicators at project level with the COSOP results framework. The draft COSOP review report from April 2018 provides a positive view of overall achievements, but in our view provides little critical assessment of actual gaps.

305. The **theory of change** set out in the CSPE approach paper (and below in annex XIII) elucidates how each of SOs from the 2007 and 2013 COSOPs will be achieved through programme outputs to outcomes and impact i.e. the results of lending and non-lending operations against the COSOP objectives. The evaluation identified three impact pathways through which the SOs would be achieved. These pathways are embedded in three thematic areas of IFAD's operations in Kenya namely NRM/CC, value chain and rural finance. As noted above, the third pathway on rural finance is a 2007 objective, and has not been highlighted to the same extent in the 2013 COSOP, yet it has been important in terms of financial investments (through PROFOT). This evaluation assesses the results in these thematic areas as pathways to achieving the SOs.

306. The intervention pathway for **NRM/CC activities** , which corresponds to SO1 of the COSOP 2013, wherein NRM/CC activities lead to improved soil and water conservation and then to more sustainable production systems as well as greater institutional capacity and social cohesion has been shown to be viable and successful. This is confirmed by a range of evidence from impact studies, supervision missions and our interviews in the field.

307. The pathway related to **value chains**, relates to SO3 of COSOP 2013 (access to improved post-production technologies and markets enhanced), SO2 of 2007 (access and use of, appropriate technologies, markets, and community-owned rural infrastructure) and to an extent, SO2 of COSOP 2007 (capacity of public, private sector and civil society organizations in delivering pro-poor and demand-oriented services strengthened). Here there is a reasonably good performance particularly in the dairy sector that shows that the pathway based around value chains is valid, although achievements have been affected by gaps in market access. The horticulture value chain on the other hand improved access to technology but market access related results were mixed.

308. Finally the pathway which aims to improve access to **financial services**, and corresponds to SO3 of 2007 (access of rural poor to financial services and investment opportunities is improved), has shown that financial leveraging of new actors with IFAD funds in the rural finance sector is possible with the right support. Yet the expected scale of leveraging in terms of number of banks (two rather than four) and the scale of response from the private sector to date has not matched the ambitions of the PROFIT model. Delays in implementation have not resulted in a clear pathway yet to the outcome of reaching the target smallholder farmers, but the graduation of the very poor to becoming credit ready has been demonstrated.

309. **The achievements of SO1 are rated as high**. The lending side has generally delivered well on the required indicators around improved NRM and strengthening gender responsiveness. Some aspects of policy have been effective (Forestry, Water Rights) and community groups have played a strong role in delivering benefits on the ground through CAPs or dairy groups. Women have led a third of these groups. Key achievements include the success and affordability of the wildlife fencing and also the improved quality of water and soils in the target areas from conservation measures.

310. The non-lending portfolio has achieved more limited results, although a notable success has been the UTNWF which has demonstrated valuable multi-sector and partnership links.

311. **For SO2, achievement is rated as moderate**. Projects are improving the access of poor rural women, men and youth in the target areas to sustainable and productivity-enhancing assets, technologies and services. Adoption rates for technologies are reportedly fairly good and access to services has risen for both men and women producers. Ownership of productive assets has risen though there are still gaps in terms of achieving full intensification of dairy production with biogas digesters, chaff-cutters and concrete floors, or marketing structures and processing equipment for horticultural groups. Access to credit remains relatively poor for producers, despite the steps taken to improve rural finance outreach.

312. Production and income changes are mixed – productivity responses show good results for dairy but are more varied for horticulture and the early signs for ASAL crops such as millet and sorghum are below expectations.

313. Significant benefits from use of new forms of technology are occurring, such as with the e-voucher system, mobile payments, improved cooking stoves and drought forecasting and crop insurance.

314. **For SO3, overall achievement is moderate.** Processing improvements are evident at the local level for example in the dairy sector (with milk bars or biogas) and producer groups in different value chains have increased the level of contract production. Access roads have proven successful while storage facilities (such as warehouses) have not been so effective.

315. As groups become more commercialised, there is a concern that the poorest producers drop out of the groups as they are unable to mobilise the labour or capital that are required to raise quality. Interventions such as dairy goats were not pursued to overcome this. The role of youth has seen some success in terms of their involvement in marketing, but there is potential for much more to be achieved.

316. **Overall,** the performance across the three SOs (see table 13 below) from the COSOP 2013 is judged by the CSPE as follows. For SO1 (NRM) the two lead projects have been generally successful while the other projects have incorporated NRM/CC approaches to a varied level. Significant improvements in soil and water management have occurred, forest and wildlife resources have been protected and grassroots organisations have been strengthened. For SO2 (yield increases, improved services, stronger production groups) results have been good as well but they have also been affected by devolution, overambitious targets and drought and pest problems. SO3 (value addition and markets) has had mixed performance, with some success on infrastructure delivery and productivity rises although access to markets has still to be effective, so that production rises are only partially matched by increases in sales. Private sector links have improved though there are still gaps in absorbing the increased production.

317. From the information available, effectiveness is rated as **moderately satisfactory (4).**

Table 13
COSOP 2007 and 2013 Achievements[255]

Strategic Objective	*Results over the CSPE period*	*Level of Achievement*
2007 COSOP		
SO1: Capacity of public, private sector and civil society organizations in delivering services requested by the rural poor, is strengthened.	Rural poor served by public, private and CSOs increased by 45% Women on management committees increased to by 40-50% CAPs included in government plans (60%). – 47 CAPs developed	Moderate
SO2: Access of rural poor to, and their utilization of, appropriate technologies, markets, and community owned rural infrastructure is improved	No overall assessment but results from MKEPP and CKADP show: Adoption rates varied but 50-60% for soil and water technologies and crops Significant yields increases for banana, vegetables, milk 100% Net incomes increased 70% for crops and 55% for milk	High
SO3: Access of rural poor to financial services and investment opportunities is improved	No overall assessment but: SNCDP achieved 80% of savings target and 115% of active borrowers, PROFIT not yet delivered.	High
2013 COSOP		
SO1 Gender responsive, climate resilient and sustainable community-based natural resources management in the target areas improved	SDCP UTNRMP good progress: Land improved 7,809 ha, soil erosion reduced, increase area of land cultivated under climate resilient practices 9,418 ha NRM groups functional and 78 plans operational, 58 CAPs for SDCP and 86,000 jobs created Water use efficiency improved	High
SO2 Access of the poor rural women, men and youth in the target areas to sustainable and productivity enhancing assets, technologies and services improved	Farmers reporting production or yield increases: UTNRMP 20,000, SDCP 42,719 and KCEP 30,580. Mixed yield improvements (good for sweet potato, modest for green grams, bananas and beans under UTNRMP), Milk yield 3-5 litres to 8-10 litres per day Ecologically sound technologies adopted have been UTNRMP 45% and SDCP 93%. Over 2,000 hectares of improved irrigation schemes Increased ownership of assets and access to services improved for women but less so for youth	Moderate
SO3 Value addition and markets. Sustainable access of poor rural women, men and young farmers, agro-pastoralists and entrepreneurs in the target areas to improved postproduction technologies and markets enhanced	Increased purchase of inputs Improved functioning of roads 547 km roads improved (238% of target) but markets (only 13 out of 38 markets functional SHOMAP) Sustainable enterprises created: but few contracted sales arrangements (24% for SDCP) UTNRMP has Increased access to finance by 20%, PROFIT has reached 175,422 farmers, SDCP 9,627 farmers, and KCEP-CRAL 30,580 Increase women presence in marketing groups but lower access to finance (95% of AFC loans go to men)	Moderate

[255] COSOP 2007 and 2013 Targets are not captured in the COSOP reviews

Key points

- Overall relevance in terms of Kenya Government and IFAD policies is high in the two COSOPs.
- Less attention was paid to how private sector involvement would occur and the need to integrate non-lending activities with the lending side of the country programme.
- At project level, effectiveness has been generally in line with targets, but it is hard to match these achievements with the COSOP indicators. Best results can be discerned for SO1 and SO2, while SO3 has had mixed performance.
- The theories of change associated with these three objectives are shown to be valid, except for the financial services pathway where results are yet to fully emerge.
- Projects have tended to pursue their objectives independently with insufficient efforts to achieve the intended mutual exchange and synergies.

VII. Conclusions and recommendations

A. Conclusions

318. **Context**. The past seven years in Kenya have seen considerable political, economic and environmental challenges. Tension around elections, complex devolution processes and severe drought in particular affected the context in which development activities occurred. While Kenya is a strongly growing economy, corruption and a rapidly growing youth population have contributed to unequal wealth sharing. The government has maintained a strategic emphasis on agriculture, although its budget commitments have not met CAADP targets. Part of the reasons for this is that the private sector is expected to adopt an increasingly vital role in driving the rural economy forward and is seen as a key element in the Government's new Big Four agenda. Achieving food security through higher incomes and greater food resilience are central tenets of the new Big Four strategy. It expects that smallholder production will be boosted by improved feed supply, credit, warehousing, licensing and supporting small and medium enterprises, boost irrigation and fish farming. This agenda is bringing a renewed impetus to the agriculture sector, and IFAD is well placed to align with the imperatives of improving food security alongside a more competitive, market-led enterprise driven approach backed by government policy and regulatory reform.[256]

319. Within this setting, **IFAD has adopted broadly sound strategic objectives** over the period covered by this CSPE. Its shift from broad community development towards selected value chains, investing more in semi-arid areas, improving access to rural finance and continuing to address environmental degradation and climate change has been highly appropriate. While the focus on ASALs has recognised the priorities of Government, there has been less attention paid to arid lands and pastoralists within that domain.

320. **Adapting to the process of devolution has been a defining challenge for IFAD and affected the programme's performance and sustainability over COSOP period.** IFAD's procedures were somewhat slow to adapt. Only recently have newer projects been able to align with the growing county-level mandate to manage their own funding and planning. The need to engage effectively with both national and county-level partners has added pressure on the limited ICO resources. Devolution, government ministry reorganisation, and slow policy reform processes have also limited the impact of the substantial investments into building the capacities of government staff and other service providers in areas such as agricultural extension, credit delivery, marketing and gender mainstreaming until now.

321. **The lending portfolio has been affected by slow disbursement and over ambitious start up timeframes**. Project delivery has relied on PMUs which also had to adjust to the growing role of county governments. The PMUs have continued to suffer delays around staff recruitment and partnership building, and have proved costlier than planned. Projects that have been extended, or have been able to use established management infrastructure, were able to avoid those start-up delays.

322. **Despite these challenges the portfolio has overall achieved a moderately satisfactory performance,** mainly due to the following reasons. The continuity of and extended financing for project implementation has enabled building on existing institutions and on lessons learned, and it has deepened effectiveness. While IFAD has tried to introduce new approaches to its portfolio and given more attention to rural finance and to private sector engagement, this has increased the complexity of designs and implementation, leading to delays in disbursement, difficulties in achieving sufficient staff capacity and finalisation of partnership agreements. IFAD's focus on supervising project management has absorbed considerable

[256] Recent evidence suggest Kenya performs comparatively well in terms of enabling the business of agriculture, particularly as regards its regulatory environment for finance, water and ICT, but it has to do more in terms of supporting effective markets. Enabling the Business of Agriculture, Kenya Snapshot, World Bank, 2017.

resources, but has yielded positive results within the lending portfolio, in particular with regard to fiduciary oversight, outreach to poorer groups and integration of crosscutting issues.

323. IFAD has met head on the difficult task of **building more commercial approaches amidst the poor and resource-challenged farmers** especially in ASAL areas. Group approaches have worked here to provide risk-sharing, and IFAD has also been innovative in bringing in solutions around credit delivery, processing and environmental management. But graduation models while offering a logical pathway for households to produce at a more commercial level, have sometimes been over-ambitious, especially where climate risks are acute or where links to large processors remain a challenge.

324. **IFAD has achieved most success in the area of natural resource management, while value chains and rural finance have also performed well**. Working with group-based approaches in NRM has been successful and sustainable because of the favourable legal and institutional framework in Kenya, and IFAD has thus been able to leverage its comparative advantage in community development. For value chains, IFAD has been successful for relatively mature and better integrated value chains such as dairy, whilst in the more nascent and less integrated value chains such as horticulture it has been unable to achieve the stated objectives within the limited span of a project. Progress has been made on raising the productivity of dairy, horticulture and cereal producers, but linkages with the processing and marketing parts of the value chain have not yet been fully realised. With rural finance, IFAD has stimulated immense interest in its drive to leverage Kenya's banks and MFIs to lend to smallholder producers as well as preparing poorer farmers for access to credit through financial graduation. There is good potential now to expand, while more carefully monitoring who benefits. Expected synergies between rural finance and value chain projects are yet to be realised.

325. **Targeting of the poor has been more successful in the NRM and value chain projects and also in the financial graduation component of the rural finance project.** Targeting has been strong in terms of gender, with an increasingly transformative approach. On the other hand, youth has been less well addressed, and IFAD could have done more to focus on this constituency given that nationally youth unemployment is double that of adults. The move toward the ASAL, recommended by the last CPE, was limited to semi-arid areas so far. Given that IFAD has a focus on value chains and so far has not been able to reach out to pastoralists, targeting the arid areas may be hard to realise within the COSOP objective of market access. The newest project ABDP furthermore reflects again a move away from an ASAL focus.

326. **The large scale of operations, the complexity of projects and the geographic spread have absorbed the limited ICO resources and left little time to engage in non-lending activities**. Policy dialogue has been *ad hoc* and without a coherent approach that builds on the lending portfolio as a whole, and with a somewhat detached grant portfolio. So far IFAD's policy work has been through active engagement in donor and government working groups. However there is considerable potential for drawing on IFAD's field experiences to inform the wider national policy agenda in Kenya as well as to inform IFAD and its other development partners. Knowledge management has received insufficient attention and M&E has not been robust enough to drive the capture of useful findings, and the ICO has not had capacity to aggregate and share evidence across the portfolio. Learning lessons has not been helped by the high turnover of IFAD CPMs and the failure to monitor COSOP performance punctually. Partnership building has been more effective but mainly built around project service provision, and with somewhat less success with private sector actors. International co-financing has been increasing in the newer projects and there is scope for further growth. Partnerships with RBAs have been relatively new, but they are showing promising

signs of success. Challenges remain with regard to the coordination of activities on the ground.

B. Recommendations

327. **Recommendation 1. Consistent with the importance and size of the Kenya portfolio, commit sufficient effort and resources to non-lending activities.** In line with the recommendations from the last CPE, this CSPE highlights the need for engagement beyond lending, recognising the significance of Kenya as a hub for international development partners and the size of IFAD's investment in the country. The next COSOP should define specific areas for policy engagement together with an actionable strategy and dedicated (financial and human) resources. This means that additional staff with relevant technical skills will have to be added to the ICO. Areas for policy engagement need to build on IFAD's comparative advantage in the rural sector and its long-standing experiences on the ground. It is expected that policy engagement will also benefit from the expertise available within the new Eastern Africa and Indian Ocean Hub of IFAD, based in Nairobi. Greater investment from loans and grants is needed in carrying out stock-taking of experiences and analysis of successful models that can effectively inform the lending operations. In addition, mechanisms for cross-learning between projects and non-lending activities should be adopted as part of the annual portfolio review. More active contribution to and use of knowledge sharing platforms (within IFAD and with other development partners) should be pursued, and IFAD should work to better integrate its M&E systems with national systems (NIMES, CIMES) as well with close partners such as FAO.

328. **Recommendation 2. Build on IFAD's comparative advantage and retain focus on selected themes and geographic areas.** There is still "unfinished business" in the areas where IFAD has successfully worked in the past. IFAD's programme should continue its focus on NRM, value chains and rural finance. It should concentrate on consolidating its achievements (e.g. by strengthening market access), identify and strengthen linkages (e.g. between rural finance and value chains), and deepen inclusive outreach (e.g. to youth). Geographic stretch should be reduced through greater focus on selected counties in semi-arid areas. IFAD should build on places where it has established good relations and the CIDPs can integrate IFAD activities. To ensure stringency in its selectivity, IFAD should dialogue with Government on aligning its requests with IFAD's comparative advantage in Kenya.

329. **Recommendation 3. Address recurrent design and institutional issues undermining programme efficiency within the context of the ongoing devolution process.** Lessons from overambitious and overly complex project designs are yet to be learned. Designs need to be realistic and implementable, supported by sound technical and institutional analysis. Given the complexity of the portfolio and the limited resources of IFAD’s country office, inefficiencies in project management should be addressed by more realistic timeframes and better sequencing of activities. This would allow sufficient time to establish partnerships, recruit staff and conduct baselines. From IFAD’s side, it should aim to reduce loan disbursement delays while from the Government side it should recruit project staff and set up AIEs in a more timely manner. Fiduciary controls should be retained in small but capable PMUs while at the same time seeking greater integration with devolved government planning, financial procurement and M&E systems. Greater ownership at county level is desirable and could be fostered through participation right from project design and start-up (e.g. inclusive project launches). IFAD-supported projects much make should that they are included in the county Integrated Development and that county government budgets assume an appropriate level of co-financing. IFAD and Government should assess economic return and value for money more rigorously particularly for value chain projects.

330. **Recommendation 4. In line with Government's strategic planning, create space and opportunities for engaging the private sector**. The success of the value chain and rural finance projects will to a large extent depend on the

involvement of private sector players. Within the Government strategy (Big Four) the private sector is expected to contribute significant financing to drive the rural economy. In the value chain projects the role of the private sector could be enhanced through improved supply of inputs, credit and market-related infrastructure (e.g. ware houses). IFAD will have to play a stronger brokering role between farmers' groups and private sector partners. The public-private-producer partnerships will require strategies to identify and mitigate the risks and transaction costs for all stakeholders.

Definition of the evaluation criteria used by IOE

Criteria	*Definition* [*]	*Mandatory*	*To be rated*
Rural poverty impact	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.	X	Yes
	Four impact domains		
	• Household income and net 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. The analysis must include an assessment of trends in equality over time.		No
	• 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, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.		No
	• Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.		No
	• 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.		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
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 design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	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.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

Criteria	*Definition* *	*Mandatory*	*To be rated*
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD • Government	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.	X X	Yes Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Ratings of IFAD lending portfolio in Kenya[a]

Criteria	*CKDAP*	*MKEPP*	*SNCDP*	*SHOMAP*	*SDCP*	*PROFIT*	*UTaNRMP*	*KCEP-CRAL*	*ABDP*	*Overall portfolio*
Rural poverty impact	4	5	5	4	5	3	5	n.a.	n.a.	4
Project performance										
Relevance	4	5	5	4	5	5	5	4	5	5
Effectiveness	4	5	5	3	5	4	4	n.a.	n.a.	4
Efficiency	3	4	3	3	3	3	4	n.a.	n.a.	3
Sustainability of benefits	4	4	4	4	4	4	4	n.a.	n.a.	4
Project performance[b]	**3.8**	**4.5**	**4.3**	**3.5**	**4.3**	**4.0**	**4.3**	**4.0**	**5.0**	**4**
Other performance criteria										
Gender equality and women's empowerment	4	4	5	5	5	5	5	n.a.	n.a.	5
Innovation	4	4	4	3	4	4	4	n.a.	n.a.	5
Scaling up	4	5	4	4	5	4	4	n.a.	n.a.	4
Environment and natural resources management	4	5	4	5	4	5	5.	n.a.	n.a.	5
Adaptation to climate change	4	4	4	3	4	4	5	n.a.	n.a.	4
Portfolio performance and results[c]	**4**	**5**	**4**	**4**	**5**	**4**				**4**

[a] Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

[b] Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

[c] This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender, innovation, scaling up, environment and natural resources management and adaption to climate change.

Final ratings of the country strategy and programme in Kenya

	Rating
Project portfolio performance and results[a]	**4**
Non-lending activities[b]	
Knowledge management	3
Partnership-building	4
Country-level policy engagement	3
Overall non-lending activities	3
Performance of partners	
IFAD[c]	4
Government[c]	4
Country strategy and programme performance (overall)[d]	4
Relevance	4
Effectiveness	4

[a] Not an arithmetic average of individual project ratings.

[b] Not an arithmetic average for knowledge management, partnership-building and country-level policy engagement.

[c] Not an arithmetic average of individual project ratings. The rating for partners' performance is not a component of the overall assessment ratings.

[d] This is not an arithmetic average of the ratings of relevance and effectiveness of the country and strategy programme and performance. The ratings for relevance and effectiveness take into account the assessment and ratings of portfolio results, non-lending activities and performance of partners but they are not an arithmetic average of these.

IFAD-financed projects in Kenya

Project ID	*Project name*	*Project type*	*Total cost* (US$ millions)*	*IFAD financing (US$ millions)*	*Co-financing (US$ millions)*	*Government funding (US$ millions)*	*Other domestic funding** (US$ millions)*	*Co-financier*	*Board approval*	*Loan effectiveness*	*Project completion*	*Current status*
1100000025	Second Integrated Agricultural Development Project	AGRIC	91.7	17.0	46.0	23.7	5.0	World Bank	18/12/1979	19/06/1980	31/12/1989	Financial Closure
1100000132	National Extension Project	RSRCH	28.6	6.0	15.0	7.6	-	World Bank	13/09/1983	22/12/1983	31/12/1990	Financial Closure
1100000188	Animal Health Services Rehabilitation Programme	LIVST	19.2	8.0	8.6	2.6	-	World Bank	30/04/1986	02/12/1987	30/06/1993	Financial Closure
1100000238	Kwale and Kilifi District Development Project	AGRIC	12.5	8.0	2.5	2.0	-	UNDP; Oxfam Novib	25/04/1989	13/03/1990	31/12/1995	Financial Closure
1100000271	Farmers' Groups and Community Support Project	RURAL	16.2	6.5	6.5	3.2	-	Belgian Survival Fund	11/12/1990	18/10/1991	30/06/1996	Financial Closure
1100000366	Western Kenya District-based Agricultural Development Project	RSRCH	15.8	11.7	-	3.8	0.4		05/12/1994	27/06/1995	30/06/2000	Financial Closure
1100000458	Coast Arid and Semi Arid Lands Development Project	AGRIC	19.2	15.7	0.8	2.7	-	Sweden	12/12/1990	09/07/1992	31/12/1999	Financial Closure
1100000467	Eastern Province Horticulture and Traditional Food Crops Project	AGRIC	28.0	11.0	12.4	1.7	2.9	AfDB	02/12/1993	14/07/1994	30/06/2007	Financial Closure
1100000516	Second National Agricultural Extension Project	RSRCH	45.8	9.4	24.9	11.6	-	World Bank	11/09/1996	29/11/1996	30/09/1997	Financial Closure
Projects under evaluation												

Project ID	*Project name*	*Project type*	*Total cost* (US$ millions)*	*IFAD financing (US$ millions)*	*Co-financing (US$ millions)*	*Government funding (US$ millions)*	*Other domestic funding** (US$ millions)*	*Co-financier*	*Board approval*	*Loan effectiveness*	*Project completion*	*Current status*
1100001114	Central Kenya Dry Area Smallholder and Community Services Development Project	AGRIC	18.1	10.9	4.1	2.7	0.4	Belgian Survival Fund	07/12/2000	01/07/2001	31/12/2010	Financial Closure
1100001234	Mount Kenya East Pilot Project for Natural Resource Management	RURAL	25.7	16.7	4.9	1.8	2.3	GEF	11/12/2002	01/07/2004	30/09/2012	Financial Closure
1100001243	Southern Nyanza Community Development Project	RURAL	23.7	21.5	-	1.8	0.5		18/12/2003	10/08/2004	30/09/2013	Financial Closure
1100001305	Smallholder Dairy Commercialization Programme	AGRIC	36.8	35.3	-	0.9	0.5		13/12/2005	12/07/2006	30/09/2019	Available for Disbursement
1100001330	Smallholder Horticulture Marketing Programme	MRKTG	26.6	23.9	-	1.6	1.0		18/04/2007	23/11/2007	31/12/2014	Financial Closure
1100001378	Programme for Rural Outreach of Financial Innovations and Technologies	CREDI	83.2	29.9	2.8	0.6	50.0	AGRA	16/09/2010	22/12/2010	30/06/2019	Available for Disbursement
1100001544	Upper Tana Catchment Natural Resource Management Project	AGRIC	68.9	33.0	17.0	11.3	7.5	Spanish Trust Fund	03/04/2012	23/05/2012	30/06/2020	Available for Disbursement
1100001651	Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window	AGRIC	116.0	71.8	11.7	1.6	31.0	European Union; TBD	22/04/2015	26/08/2015	30/09/2022	Available for Disbursement

Project ID	*Project name*	*Project type*	*Total cost* (US$ millions)*	*IFAD financing (US$ millions)*	*Co-financing (US$ millions)*	*Government funding (US$ millions)*	*Other domestic funding** (US$ millions)*	*Co-financier*	*Board approval*	*Loan effectiveness*	*Project completion*	*Current status*
2000001132	Aquaculture Business Development Programme	FISH	143.3	40.0	28.3	31.4	43.6	FAO; TBD	11/12/2017	19/06/1980	31/12/1989	Board/President Approved

Sampled IFAD-funded grants in Kenya

Grant project ID	Recipient	Approval date	Current completion date	Programme name	Type of grant	IFAD grant cost at approval (US$)	Other financing at approval
1000003273	AFRACA	17-Dec-08	30-Jun-12	Rural Financial Knowledge Management Partnership – KMP - Phase II	GLRG-LG	1 300 000	
1000003918	AFRACA	17-Dec-10	30-Jun-12	Regional Knowledge Management Learning Process in ESA	GLRG-SM	425 000	
1000004163	UN-Habitat	18-Oct-11	30-Jun-13	Land and Natural Resource Tenure Security Learning Initiative for East and Southern Africa (TSLI - ESA)	GLRG-SM	200 000	
1000004155	EAFF	27-Nov-11	30-Jun-15	Strengthening Capacity of EAFF Through Knowledge Management & Institutional Development	GLRG-LG	1 500 000	
1000004156	AFRACA	27-Nov-11	30-Jun-15	KMP - Phase III	GLRG-LG	1 500 000	US$500 000
2000000095	UN HABITAT	06-Jul-13	30-Dec-17	TSLI-ESA-2	GLRG-LG	1 425 000	
2000000453	Kilimo Trust	13-Sep-14	31-Dec-17	Regional East African Community Trade in Staples - Graduating Smallholders To 'farming As Business' Through Inclusive Regional Food Markets- REACTS	GLRG-LG	920 000	US$193 000
2000001097	AGRA	03-Aug-15	31-Dec-17	AGRF 2015-2017	GLRG-SM	300 000	
2000001524	TNC	27-Jul-16	31-Dec-21	IAP Establishment of the Upper Tana Nairobi Water Fund (UTNWF)	GEF-PPG	7 201 835	US$26 400 000
1000003834	ICIPE	07-Oct-10	31-Dec-13	Scaling up Bee-keeping and other Livelihood Options to Strengthen Farming Systems in NENA, and East Africa	GLRG-LG	1 200 000	US$26 618 996
2000000520	ICRAF	01-Dec-14	03-Aug-18	Restoration of Degraded Lands for Food Security and Poverty Reduction in East Africa and Sahel	GLRG-AFRD	1 500 000	
2000000976	ICRAF	To be confirmed	30-Sep-19	Restoration of Degraded Lands for Food Security and Poverty Reduction in East Africa and Sahel - under PRUNSAR	GLRG-AFRD		EUR 3 924 112
1000002811	ICRAF	18-Apr-07	31-Dec-11	Programme for Pro-Poor Rewards for Environmental Services in Africa	GLRG-LG	1 000 000	
1000003248	FAO	17-Dec-08	31-Mar-14	Development of Innovative Site-Specific Integrated Animal Health Packages for the Rural Poor	GLRG-LG	1 600 000	US$2 000 000
1000003607	EAFF	18-Mar-09	31-Aug-12	SFOAP pilot phase – EAFF	GLRG-LG	362 000	EUR 941 500
1000003612	IUCN	17-Dec-09	21-Feb-14	Programme for Enabling Sustainable Land Management, Resilient Pastoral Livelihoods and Poverty Reduction in Africa	GLRG-LG	950 000	US$461 000
1000003833	ICRAF	07-Oct-10	31-Dec-14	Enabling Rural Transformation and Grass-Roots Institution Building for	GLRG-LG	1 500 000	US$371 000

Grant project ID	*Recipient*	*Approval date*	*Current completion date*	*Programme name*	*Type of grant*	*IFAD grant cost at approval (US$)*	*Other financing at approval*
				Sustainable Land Management and Increased Incomes			
1000004387	EAFF	30-Nov-12	21-Dec-17	SFOAP - Main Phase	GLRG-LG	500 000	EUR 3 347 263
2000001064	FAO	22-Apr-15	31-Dec-22	Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window FAO Grant	CS-LG	2 000 000	
2000001269	3ie	07-Sep-15	30-Jun-17	Technical Support to Ex Post Impact Evaluations of Rural Development Projects Using Mixed Method Approaches	GLRG-LG	750 000	
2000000828	PROCASUR	12-Sep-15	10-Apr-19	Strengthening Capacities and Tools to Scale Up and Disseminate Innovations	GLRG-LG	3 500 000	

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Bakari Masoud M&E Officer PROFIT (and SNDCP)
Bernard N Kimoro Director of Productio SDCP
Nick Bourguignan IOE Consultant IFAD
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Joan Musungu	Treasurer	Bwoca
Davis Makario	Secretary	Bwoca
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Mary Moroge	Member	Mangu Tomato Dairy Group
Mary Wainaina	Chairperson	Mangu Tomato Dairy Group
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Humphrey Khakula	ACPD – SDCP	MOALF
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Adija Bwiaza	CNS	SDCP
Virginiah Ngunjiri	CPC	SDCP
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Margaret Mburu	SALPO – BAHATI	MOALF
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Samwel Ndirango	WLEO – KIPTALUCH	MOALF
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Jemima Kawira	Agro-Dealer	Kitui - KCEP
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Patrick Ngige	Manager-Agribusiness	Equity Bank
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Dominic Menjo	Managing Director	Association of Milk Processors
Chomboi Kiprotich	VCDS	KCEP-CRAL
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James Nyambok	Business Devt Manager. Agri-business	Barclays bank
James Echoka	Head of Risk	AFC
Rose Asewe	Relationship Officer	RAFIKI MFB
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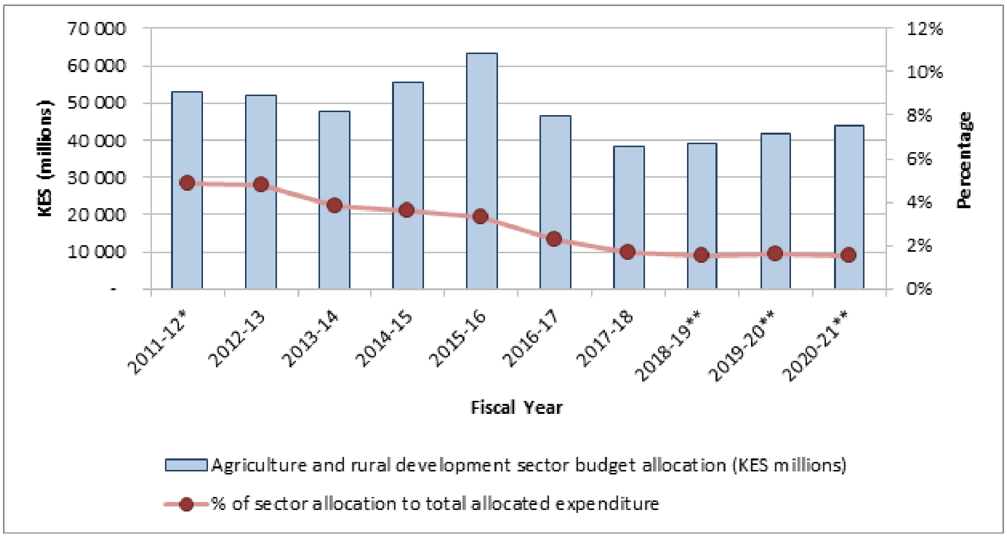
Sandeep Khapre	CEO	BDO
Johnson Kithendu	Consultant	BDO
Albertina Muema	Access to Finance Advisor	SNV
Dr. Rhoda Kigotho	Managing Director	LIASON
Alice Ngone	Advisory – Strategy & Operations	Deloitte
Nicholas Kamonye	Head - CCIA	CCIA
Esther Muiruri	General Manager –Agribusiness	Equity Bank
Nazia Moqueet	Technical Specialist	BRAC USA

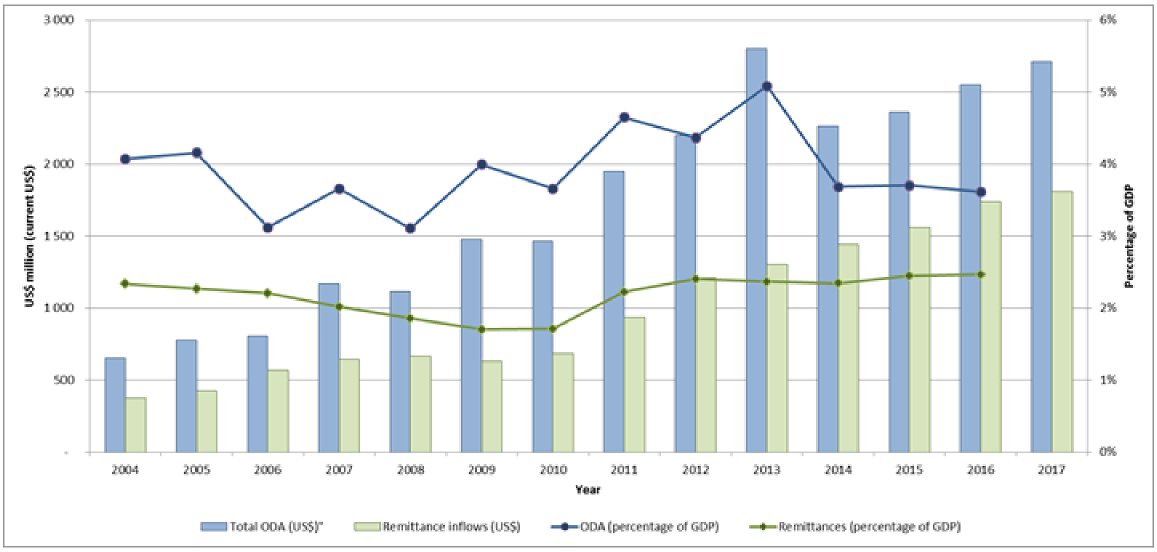
Supporting Tables and Figures

Figure 1
Allocated expenditure on the agriculture and rural development sector in total (in KES, millions) and as a percentage within the total allocated expenditure of the national budget (2011-2021)



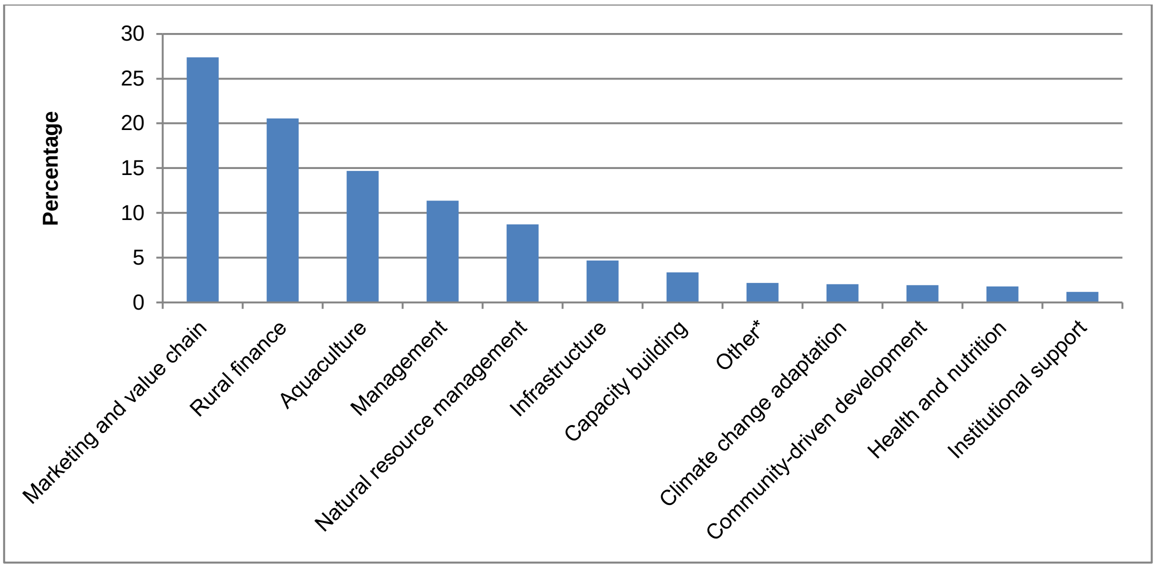
* actual expenditure
** projected expenditure
Source: Government of Kenya Budget Policy Statements 2012-2018

Figure 2
Evolution of ODA and remittances to Kenya in absolute terms (current US$ million) and proportional to GDP between 2004-2017



Source: World Bank Global Development Indicators 2018; OECD DAC database 2018

Figure 3
Aggregated sub-component type funding share of IFAD projects under evaluation at approval (2011-2018)



* Includes Irrigation infrastructure, Policy Support/Development, and Food crop production
Source: IFAD GRIPS 2018

Table 1
COSOPs 2007 and 2013

Strategic objectives and focus over evaluation period	***COSOP 2007***	***COSOP 2013***
COSOP Objectives	SO1: Capacity of public & private sectors and CSOs for demand-oriented service delivery SO2: Access to technologies, markets, and rural infrastructure SO3: Access to financial services and investment opportunities	SO1: Gender responsive, climate resilient and sustainable CB NRM SO2: Access to productivity enhancing assets, technologies and services SO3: Access to post-production technologies and markets
Geographic priority	High-medium potential areas, with some attention to the arid and semi-arid lands (ASALs) mainly by grant activities	Strategic objectives 1 and 2 focus ASAL and MHP agro-ecological areas respectively; strategic objective 3 pursued in both areas.
Subsector focus	Rural finance; agricultural marketing; capacity building; rural infrastructure including roads, health and water; sustainable natural resources management; agriculture technology; input and output markets; livestock development; HIV/AID	Rural finance, aquaculture, diary; input supply, marketing, natural resource management, technology transfer, business development, roads, forestry, climate change
Main partners	Ministries of Agriculture, Livestock, Water and Irrigation, Finance, Planning; provincial and district authorities; KWS, KFS, AGRA, Equity Bank and other private sector providers	Ministry of Agriculture, Livestock and Fisheries; Ministry of Water and Irrigation; Ministry of Devolution and Planning; Ministry of Health; Ministry of Education; KALRO; Constituency Development Fund; Kenya Wildlife Service; Kenya Forest Service; Water Resource Management Authority; World Agroforestry Centre (ICRAF); Equity bank; UNOPS; FAO.
Main target group	Women and youth; subsistence smallholders and pastoralists; poor, semi-subsistence smallholders and agro-pastoralists with marketable surplus; landless or near landless.	Poor agricultural households with marketable surplus. Focus on women, youth, agro-pastoralists and pastoralists capable of enhancing their technical knowledge and organizational capacities for increased incomes.
Country programme and COSOP management	IFAD country presence established in Nairobi in 2008. Country Programme Manager (CPM) outposted in Nairobi since 2012. One Programme Assistant (part time) based at headquarters.	

Figure 4
Proportion of allocated funding for projects designed before and after Kenya CPE 2011[1] (exc. PROFIT[2])

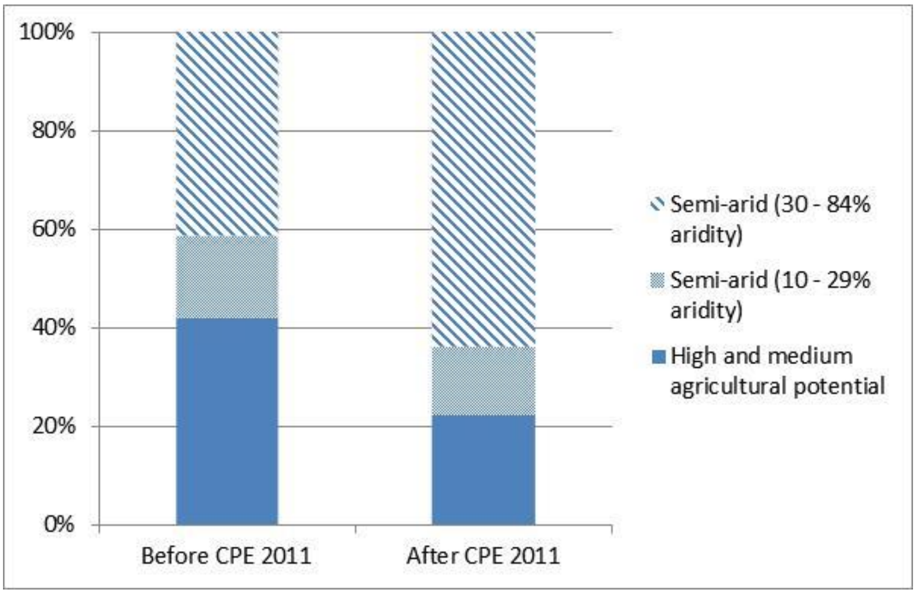
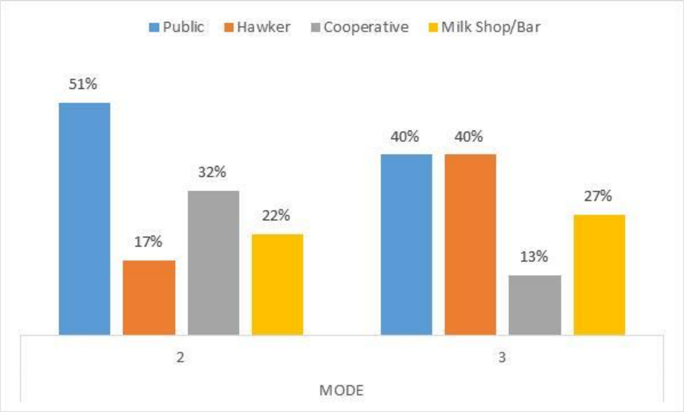


Figure 5
Proportion of SDCP dairy groups selling to different outlets by Mode



Source: CSPE telephone survey

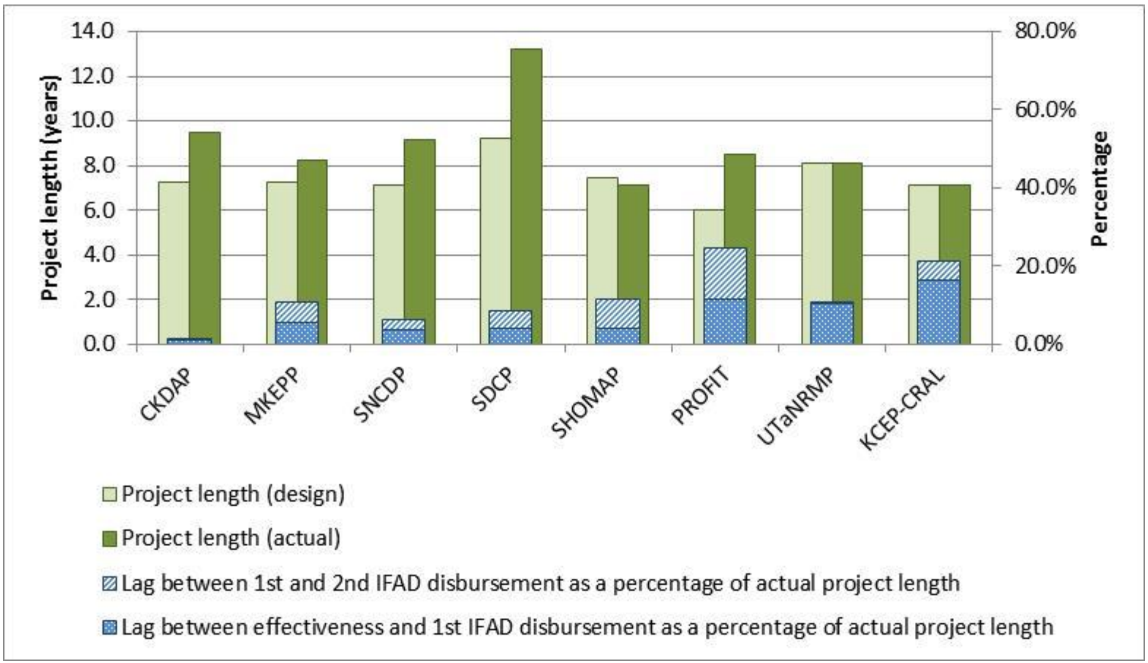
[1] Funding allocations by county were done on a nominal basis, dividing the total non-management costs equally across all counties covered by each project..
[2] PROFIT was excluded from the analysis because the target area was nationwide and the counties reached would depend on the implementing partners selected during implementation. Design envisaged that the Credit Facility, Business Support Services and the Financial Graduation Programme would target communities in the ASALs as well as other areas, but this would represent 17 per cent of total non-management costs at the most.

Table 2
Operational and financial performance of the PROFIT Credit Facility

MFB	*Credit Facility (KES-Million)*	*Agriculture loan portfolio (KES- Million)*			*% agriculture loan to total portfolio*			*PAR (%)*		
		Q4 2015	Q4 2016	Q2 2017	Q4 2015	Q4 2016	Q2 2017	Q4 2015	Q4 2016	Q2 2017
KWFT	205	356	241	280	1.6	1.1	1.3	17	4	4
FAULU	204	26	9	29	0.2	0.0	02	7	16	17
SMEP	100	76	48	33	3.9	2.7	1.7	43	45	57
RAFIKI	94	-	152	102	-	-	-		76	

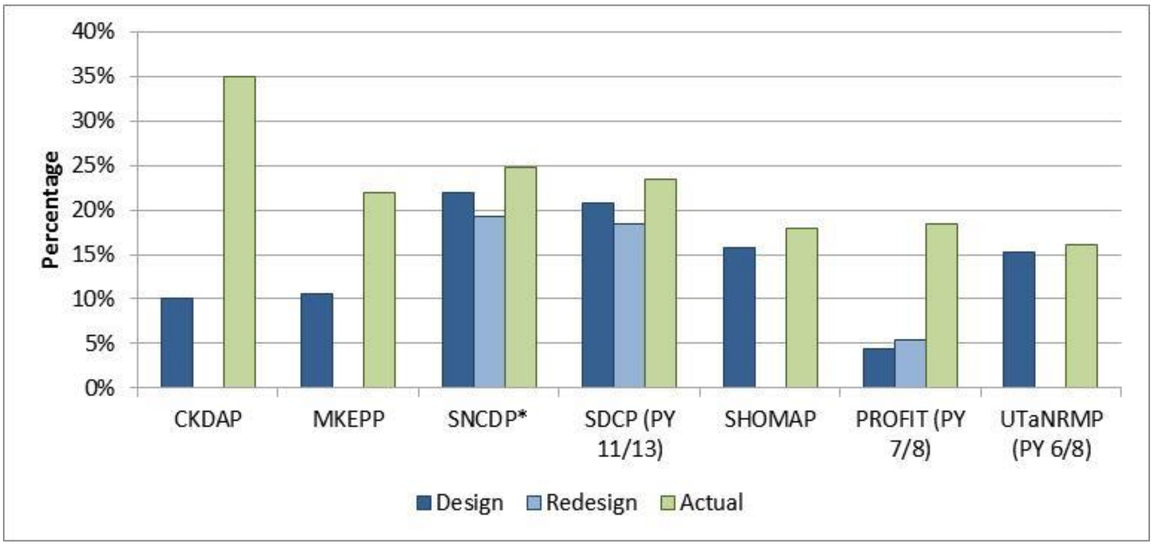
Source: PROFIT – Quarterly Progress Report: March 2018

Figure 6
Kenya portfolio design and actual project length (in years) and time lag between effectiveness, 1st and 2nd disbursement (as a ratio of actual project length)



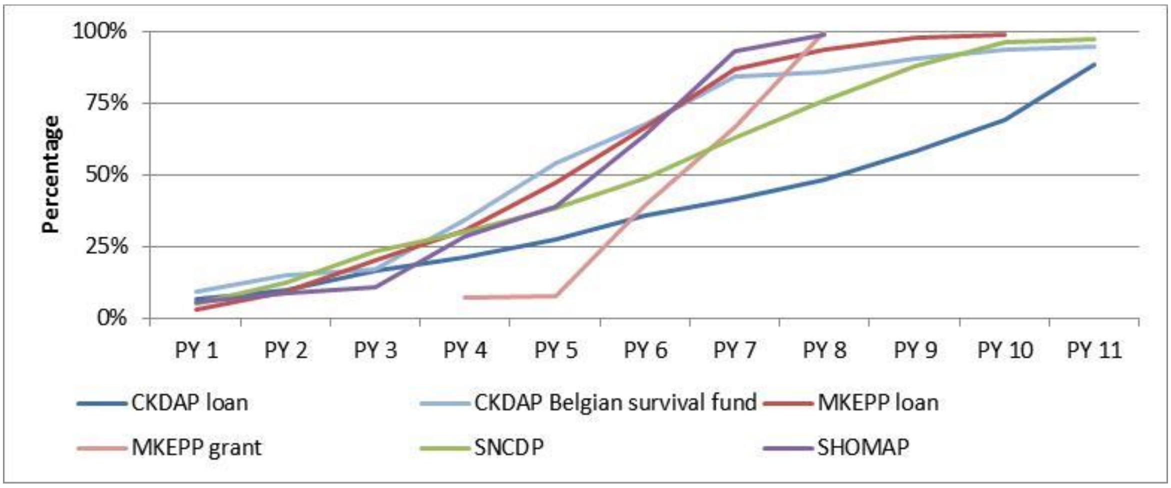
Source: compiled from IFAD GRIPS and FlexCube data

Figure 7
Management costs in the Kenya portfolio: At design, redesign, and actual mcosts as a proportion of total project costs



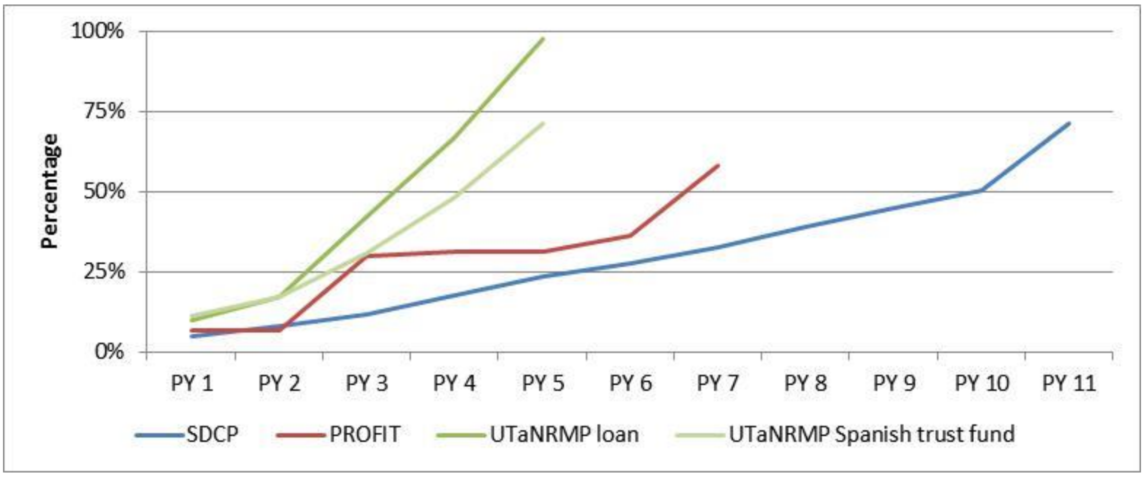
* does not include Government or beneficiary co-financing figures for redesign or actual figures for management costs
Source: Project design, completion and supervision mission reports

Figure 8
Disbursement of IFAD managed resources (loans, grants, funds) in original currencies* by project year for closed projects



* Projects with more than one disbursement line have financial instruments in different currencies that cannot be aggregated
Source: IFAD Flexcube

Figure 9
Disbursement of IFAD managed resources (loans, grants, funds) in original currencies* by project year for ongoing projects (up to 31 December 2017)



* Projects with more than one disbursement line have financial instruments in different currencies that cannot be aggregated
Source: IFAD Flexcube

Table 3
Kenya CSPE ex ante and ex post cost per beneficiary ratios

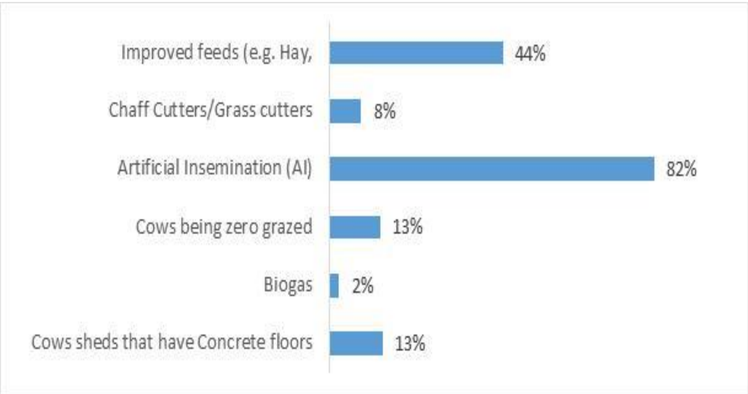
Project	*Design outreach (direct)*	*Design total project costs (US$ '000)*	*Actual outreach (direct)*	*Actual total project costs (US$ '000)*	*Design cost/ beneficiary (US$)*	*Actual cost/ beneficiary (US$)*	*Difference Actual against design (%)*
CKDAP	218,000	18,081	213,578	15,739	83	74	89
MKEPP	360,000	25,700	558,145	30,500	71	55	77
SNCDP	500,000	23,700	196,639	22,107	47	112	237
SDCP*	162,524	40,010	157,253	20,832	246	132	54
SHoMAP**	60,000	26,590	152,304	32,148	443	211	48
PROFIT***	287,750	80,506	217,348	17,073	280	79	28
UTNRMP	1,025,000	68,845	831,121	33,031	67	40	59

* Includes top-up loan
** Actual beneficiary outreach in SHoMAP includes double counting, for which cost per beneficiary calculations cannot be calculated (see IOE SHoMAP impact evaluation)
*** design US$ amounts after reallocation
Source: President's reports, supervision missions, PCRs, RIMS

Table 4
SDCP Dairy group by Mode in 2018

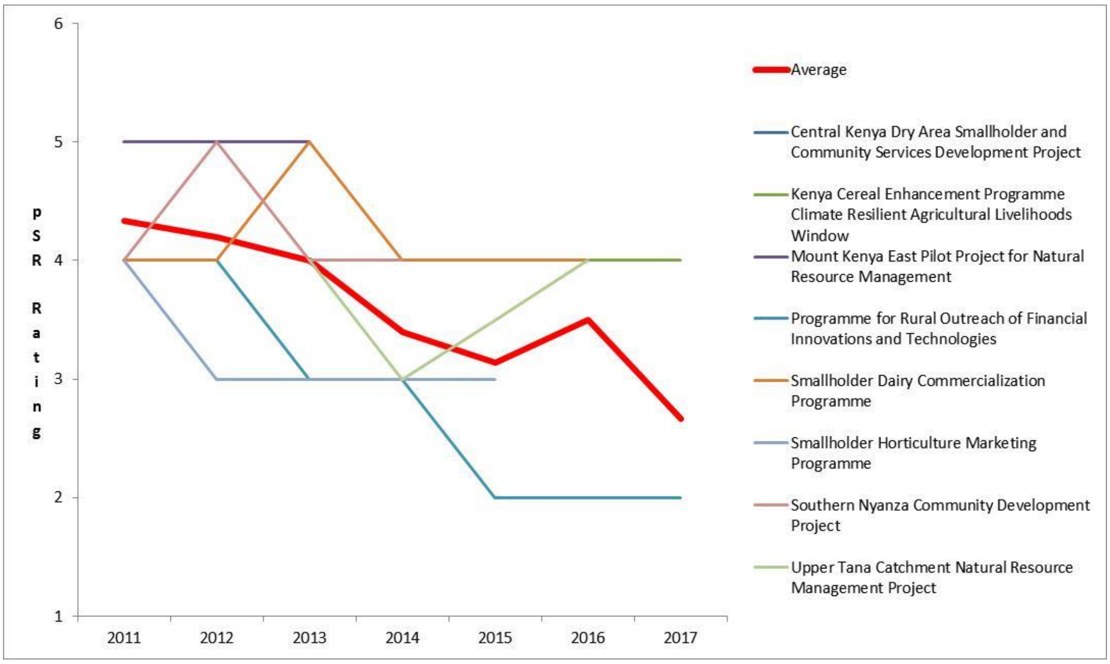
County	*Total # of DG*	*DG - MODE 2*	*DG - MODE 3*
Bomet	111	102	9
Bungoma	130	98	32
Kakamega	74	50	24
Kisii	244	238	6
Nakuru	132	128	4
Nandi	72	64	8
Nyamira	126	110	16
Trans Nzoia	90	75	15
Uasin Gishu	108	86	22
	1087	951	136
		87%	13%

Figure 10
Per cent of SDCP dairy groups owning selected assets



Source: Telephone Survey conducted by the CSPE mission

Figure 3
Rating for Performance of M&E 2011-2017, Kenya Portfolio



Source: Project Supervision Reports, GRIPS

Table 5
Grants financing (2011-2017)

Grant Window	*No of grants*	*IFAD grant amount at approval (US$)*	*Other financing (US$)*	*Total*	*%*
Country specific (CSPC)	3	1.500.000	1.635.000	3.135.000	2
Global/Regional (GLRG)	59	51.261.716	64.353.293	115.615.009	74,4
Large	36	40.849.200	57.828.570	98.677.770	85,4
Small	15	3.614.170	245.406	3.859.576	3,4
Agricultural Research for Development (AFRD)	8	6.798.346	6.279.317	13.077.663	11,4
Global Environment Facility (GEF)	2	10.063.835	26.400.000	36.463.835	23,5
Other	1	100.000	-	100.000	0,1
TOTAL	65	62.925.551	92.388.482	155.314.033	100

Table 6
Project co-financing by financier

Project ID	Project name	Total cost* (US$ millions)		IFAD financing (US$ millions)		Co-financing (US$ millions)		Government funding (US$ millions)		Other domestic funding** (US$ millions)		Co-financier
		Design	Actual	Design	Actual	Design	Actual	Design	Actual	Design	Actual	
1100001114	*Central Kenya Dry Area Smallholder and Community Services Development Project*	*18.1*	*20.6*	*10.9*	*10.8*	*4.1*	*5.3*	*2.7*	*3.65*	*0.4*	*0.89*	*Belgian Survival Fund*
1100001234	Mount Kenya East Pilot Project for Natural Resource Management	25.7	30.5	16.7	20.1	4.9	4.7	1.8	2.5	2.3	3.2	GEF
1100001243	Southern Nyanza Community Development Project	23.7	22.1	21.5	21	-		1.8	1.1	0.5	0.4	
1100001305	Smallholder Dairy Commercialization Programme	36.8	20.8	35.3	18.9	-		0.9	1.2	0.5	0.7	
1100001330	Smallholder Horticulture Marketing Programme	26.6	32.1	23.9	23.5	-		1.6	7.2	1.0	1.4	
1100001378	Programme for Rural Outreach of Financial Innovations and Technologies	83.2	17.1	29.9	16.5	2.8		0.6	0.6	50		AGRA
1100001544	Upper Tana Catchment Natural Resource Management Project	68.9	33.0	33	18.6	17.0	7.5	11.3	4.3	7.5	2.7	Spanish Trust Fund
1100001651	Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window	116	11.1	71.8	1.2	11.7	7.2	1.6	0.4	31	2.2	European Union; TBD
2000001132	Aquaculture Business Development Programme	143.3		40		28.3		31.4		43.6		FAO; TBD

Source: GRIPS

Evaluation framework – lending portfolio

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
Rural Poverty Impact	Q.1: What have been the impacts on rural poverty found by previous IOE evaluations?		Establish programme result contributions to rural poverty decrease using • PCRs and PCRVs for CKDAP, MKEPP, SNCDP • IE for SHOMAP • IEs/IAs for SDCP, UTaNRMP • Impact-level M&E data, as available. • Financial graduation of PROFIT Benchmark against impacts reported from similar projects and/or projects working in the same area, and official poverty trends reported by the Statistics Bureau. Map contributions against ToC Validation through field visits
	Q1.1: Household income and assets	• Changes in physical assets (farmland, water etc.) • Changes in the composition and level of household income • Changes in financial assets and/or debts	
	Q1.2: Human and social capital and empowerment	• Farmers' associations, cooperatives etc. • Enhanced knowledge • Access to inclusive financial services • Education levels and health status • social cohesion of rural communities • conflict management • communities able to take charge of development issues at their level? •	
	Q.1.3: Food security and agricultural productivities	• Availability of food • Land productivity, yields return to labour • Nutrition status	
	Q.1.4: Institutions and policies	• Local governance • Rural financial institutions • Agricultural cooperatives • Other service providers • Are there changes in the capacities of government departments, NGOs, the private sector, and elected bodies and officials involved in project implementation? • Are there changes in the capacities of the grassroots organizations supported during project implementation? • Are there changes in the policy or institutional framework in favour of the rural poor as a result of project-led policy engagement and knowledge management activities (e.g. changes in the laws, statutes, rules, regulations, procedures, national quality standards or norms)? • How did the service delivery of public institutions change for the rural poor? Were changes, if any, a result of project activities or of exogenous factors (devolution)? •	
	Q.2: Thematic issues (impact)		

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	Q2.1: Value chain development Did household incomes rise as a result of newly created or enhanced value-chain linkages? Did market structures and other institutional factors affecting poor producers'access to markets change? Have communities established stronger linkages with public and private institutions, including research organizations?	Extent to which links have been created or enhanced in SHoMAP, SDCP and other projects (UTaNRMP) • Stable outlet channels for milk, fruit, vegetable and other products • Stable or increased prices • Stable or increased production • Increased financing of value chains • Increased incomes	SHoMAP impact evaluation SDCP impact evaluation SDCP, SNCDP field visits and FGDs (cooperatives, MFIs, SMEs)
	VC Case study What have been the impacts from the value chain interventions (positive/negative, direct/indirect) in terms of: • household income / assets / liabilities, including effects on farm-gate prices / • employment generation; • Human an social capital • Institutions and policies • nutrition and food security; Which groups of value chain actors have been most affected and how?	Survey for dairy	Phone survey analysis
	Q2.2: Inclusive financial services To what extent did IFAD supported interventions contribute to changes at institutional / sector/ policy levels in PROFIT? How important were RF interventions for achieving rural poverty impact compared to other project complements? Which intervention models had been most inclusive and successful in addressing rural poverty issues?		Desk Review of project documents (SNCDP, SHoMAP, PROFIT, UTANRMP) SHoMAP impact evaluation PROFIT in-depth case study based on desk Review , HQ interviews, key implementing partners in Nairobi
	Q 2.3. NRM and Climate change What impacts can be discerned from NRM/CC interventions?	• Changes in vegetation cover (MKEPP, UTANRMP) • Water quality measurements • Wildlife conflicts • Reliance on natural resources for livelihoods, etc. • Resilience to shocks	Geospatial data Water quality data Field validation
Relevance of project designs	Q3*: Policy alignment* How well did the programme design align with IFAD and Kenya's Sector Policy and strategies? Were Government's priorities as well as the priority needs of smallholder farmers adequately reflected in the thematic structure of the portfolio (e.g. horticulture,	Extent to which IFAD analysed and aligned projects to national policy in design and strategy documents, and incorporated new policies through supervision documents. • Alignment of project goals and objectives to Kenya sectoral policies at design • Modification of project goals and objectives in line with contemporary	Review of PCRVs (CKDAP MKEPP, SNCDP) Review of SHoMaP, SDCP, PROFIT, UTaNRMP, KCEP-CRAL, ABDP

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	livestock, NRM, rural finance)? Were the approaches presented in the IFAD climate change strategy reflected in the projects being evaluated?	changes to sectoral policies	Validation in the field
	Q3.1. *Strategic focus* Did the programme reflect a greater focus on ASAL since the last CPE? If so, did it include the CPE recommended poverty profile of rural poor in ASALs?	• Proportion of funding on ASAL areas over the CSPE period compared to previous CPE period	Review of COSOP and project documents
	Q3.2. *Implementation set up* Were the implementation arrangements appropriate, given the ongoing government reforms (devolution)? Was the range of partners included in project implementation appropriate? Was the sufficiently engaged private sector (and how)?	• Comparison of PMU structures with devolution processes • Analysis of funding contributions • Investment from private sector	Design and Supervision reports Interviews in field (FG and institutional)
	Q3.3 Targeting How relevant were the project target groups and targeting mechanisms at design?		Review of project documents Validation in the field
	Q3.4 Nutrition Were (initial and updated) project designs "nutrition-sensitive"?	• Analysis of project designs against IFAD Nutrition Action Plan "nutrition-sensitive" criteria	Review of project documents
	Q4: *Programme coherence* How coherent was the project design strategy (logframe coherence, linkages between the components, financial allocations, management structures) in supporting pro poor and environmental sustainability of the activities? How coherent was the choice of subsectors/themes to support the overall strategic (COSOP) goal?	• Financing ratios of project components and of themes to strategy • Assessment of project logframes at design and subsequent changes and their alignment with COSOP	Review of PCRVs (CKDAP, MKEPP, SNCDP); Review of SHoMaP, SDCP, PROFIT, UTaNRMP, KCEP-CRAL, ABDP Strategy docs (COSOP) Validation in the field
	Q5: Thematic issues (relevance)		
	Q5.1: <u>Value chain development</u> How appropriate at the design stage was targeting in value chain projects (SDCP, SHoMaP) in terms of pro-poor focus? Was it likely to result in coherent project outreach in implementation?	• Quality of design elements and associated indicators re targeting, pro-poor focus and private sector	Assessment of design documents (SDCP, SHoMaP and ABDP), interviews with relevant stakeholders

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	Did the move towards value- chain approaches increase the potential for better private sector involvement? Market-led development? How Coherent with value-chain projects/programmes supported by other actors/development partners? *VC case study* Was there a diagnostic of the value chain? To what extent were the value chain activities connected with other project components? To what extent was the value chain intervention(s) implementing specific national policies and strategies? To what extent were the value chain interventions relevant to the needs of the primary target group of the project (or projects in the portfolio for a CSPE) ? What kind of power relationships existed in the VC prior to the projects (prices received, bargaining power, etc.)?	• Design takes into account other interventions (as measured through funding and implementation arrangements). Analysis of survey results	Review of project documents Review of relevant national policies, Post-field Telephone survey for SDCP?
	Q5.2: <u>Inclusive financial services:</u> How well were projects aligned with the IFAD IRF policy (2009) and the respective national country policy/policies or strategies and regulatory frameworks? Were the interventions designed to promote a wider range of IRF products and services, as stipulated by the IRF Policy (2009). Were the models (or strategic approaches) chosen appropriate and in line with the needs of the country and the target groups? How relevant and appropriate was the choice of implementing partners? What technical expertise has been mobilised in the design and implementation of rural finance approaches and activities? Relevance of intervention areas and the services and products provided How has the rural finance strategy evolved in the Kenya portfolio? What were key moments of interruption of approaches, and why?	• <u>Analysis of project elements against IFAD policy and national sector studies</u> • <u>Measures of 'inclusivity'</u> • <u>Analysis of financial services data</u>	Review of IFAD policy documents, national strategies, project design documents (SDCP, SHoMaP and ABDP)
	Q5.3: <u>Participatory community development</u> To what extent were participatory and bottom up approaches integrated in project designs, in particular in	• Funding allocation to participatory approaches	Review of PCRVs (CKDAP MKEPP, SNCDP), UTaNRMP, KCEP-CRAL, SHoMAP design

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	the NRM and value-chain projects?		docs Validation in the field (UTaNRMP and MKEPP)
	Q 5.4 Climate change To what extent was climate change addressed in project designs? Did projects contain specific adaptation and mitigation activities and what was their effect on the livelihoods of the poor? Were adequate funds allocated to measures aiming at mitigating the climate-change related risks identified in the risk analysis? Any disaster preparedness measures, for example, in terms of agro meteorological warning systems, drought contingency plans, response to flooding, weather-indexed risk assurance?	• Proportion of indicators addressing CC issues • Resources allocated to CC issues	Review of PCRVs (CKDAP MKEPP, SNCDP), UTaNRMP KCEP-CRAL
	Q 5.5 Institutional set-up Were the implementation arrangement appropriate and in line with Government's ongoing (decentralisation) reforms?		Review of PCRVs (CKDAP MKEPP, SNCDP), UTaNRMP, KCEP-CRAL, PROFIT, SDCP, SHoMAP ABDP design docs Review of govt. strategy docs including on devolution.
Effectiveness of projects	Q6: How effective have been the IFAD supported operations? Did the project achieve the intended results for the intended target group? What were the main (intended and unintended) results achieved? What were the main factors affecting effectiveness?	• Analysis of results against targets	Review of PCRVs, Project docs, progress reports, superivisons, RIMS, KIIs, FGDs, Surveys for SDCP, SHoMaP, PROFIT, UTaNRMP. .
	Q6.1 Targeting Did the project achieve the intended results for the intended target group? Were outreach targets met? And how effective were the targeting mechanisms used?		

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	VC Case study What value chain related activities have been carried out in the project (or portfolio for a CSPE)? What results (related to the value chain) have been achieved at the end of the project or are likely to be achieved? What have been the main challenges in achieving the results (related to the value chain)? Extent to which the projects in the portfolio changed the capacity and behaviours of producers and other key actors in the value chain		Validation in the field
	Q7 Thematic issues (effectiveness)		
	Q7.1: Value chain development: How effective were the financial and non-financial instruments used to support value chains? How effective (and viable) are the groups and institutions set up or supported by the projects? Did the project influence these relationships (for instance, improve bargaining power of farmers relative to other actors)? What are the sources of finance for production, etc.? Was finance an impediment? Did the projects facilitate, and were successful, in creating contractual relationships between farmers/producers and input/output suppliers?	• Analysis of results for VC indicators	SDCP PCRV docs, SHoMaP IE ratings), interviews with relevant stakeholders Field assessment
	Q7.2 Inclusive rural finance: How effective were the financial and non-financial instruments used to support value chains? How effective (and viable) are the groups and institutions set up or supported by the projects? Do Project Coordination/ Management Units communicate with each other on rural finance implementation and coordination? With sector actors, apex bodies, agencies?	• Analysis of results for IRF indicators	SDCP PCRV docs, SHoMaP IE ratings), interviews with relevant stakeholders, data from implementers and service providers Field assessment
	Q 7.3. Natural resource management Did the synergies between the different components realise as envisaged at project design? synergy in institutional arrangements for implementation of	• Analysis of results for NRM / CC indicators	Review of PCRVs for CKDAP, MKEPP, SNCDP), IE for UTaNRMP, KCEP-CRAL, SHoMAP Field visits and KII/FGDs

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	programme activities? Institution building, community institutions; Success of efforts to align policies and mandates of government institutions involved at different levels. Did the projects help local communities increase/improve access to natural resources (in general and specifically for the poor)? Has the degree of environmental vulnerability changed (e.g. climate change effects, potential natural disasters)?		
	Q 7.4. Institution building How successful was institution building, i.e. setting up various forms of grass roots/farmers organisations? Which type of organisations worked better and under what conditions, and which did not? How inclusive are they? Note any specific activities or implementation mechanisms to include people living with HIV/AIDS and the outcomes and impact of these. Any challenges?	• Analysis of results for institutional indicators	• As above
Efficiency of projects	Q8: How efficient have IFAD supported operations been? What were the main factors affecting efficiency in the closed projects? What are the trends in the ongoing project? How did devolution affect project efficiency? What are the conditions for projects to be effective? How have these changed from 2011 to now? What are the challenges to get projects effective? Why do project coordinators need Authority to Incur Expenditures (AIE) assigned for each project? Why does AIE not feature as a condition for project coordinators early on in the project lifecycle? How are staff assigned to project coordination/ management units? Do staff have the requisite technical knowledge? How competitive are salaries and top-up allowances? What are unit costs for different activities (infrastructure, NRM, rural finance)? Who are the service providers (local, national, international)? How are they procured? What are the challenges for projects that operate ion wide-spread geographic areas? a larger scale (SDCP, SHOMAP, PROFIT, KCEP-CRAL)?	Analysis of project financial data and IOE evaluations for key efficiency indicators: • Effectiveness gap • Management costs • Levels of staffing • Disbursement rates • Cost/beneficiary • Unit costs (benchmarked against other projects and Government unit costs) • Economic Rate of Return • Compliance with loan agreements and loan conditions	Desk Review Financial data from projects Interviews with project finance officers where available

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	How have recent political changes (such as elections, decentralization) affected staffing in the project coordination/ management units?		
	Q 9. Have the efficiency issues identified by the 2011 CPE effectively addressed?	(e.g. issuing the Authority to Incur Expenditures, limitations on special account initial deposits, delays lined to bureaucratic process in accounting, low budgetary allocation to agriculture, weak project implementation capacity at the district level, and the fragmentation of institutional architecture)	As above
	Q10: Thematic issues (efficiency)		
	Q10.1. NRM and CC To what extent did the delays in start-up and implementation affect project effectiveness?, Long duration	• Analysis of delays on disbursement, recruitment, M&E etc.	Project reports Interviews with stakeholders (project/ government /beneficiaries)
	Q10.2. Inclusive financial services Cost efficiency/cost-benefits/value for money	• Comparison with appropriate VFM benchmarks	Desk analysis using financial data
Sustainability of benefits	Q11: Do project activities benefit from the engagement, participation and ownership of local communities, grass-roots organisations and the rural poor, and are adopted approaches technically viable?	Extent to which IFAD activities are economically viable and sustainable since project closure • Ownership of infrastructure (beneficiaries, municipalities, other) • Percentage of beneficiaries in administrative positions of institutions • Source of financing and O&M (infrastructure and institutions)	Document Review of Supervision reports, PCRs and IOE evaluations Key informant interviews (IFAD; Regional and municipal level staff, selected institutions; other development partners)
	Q12. How sustainable were the various groups and associations set up by the projects?	• Continued existence and effectiveness post IFAD investment of groups	KIIs local government, beneficiaries, (SDCP SHoMaP. PROFIT, UTaNRMP) Review of PCRVs
	Q13: What external factors have affected sustainability (e.g. security, political interference)? Can recurrent natural hazards endanger prospects of sustainability?	Extent to which external events have negatively impacted benefits of IFAD activities • Liquidation of institutions • disuse of infrastructure	Key informant interviews (beneficiaries, national and county level staff, selected institutions; other development partners) Field visits and direct observation PCRV reviews
	Q14: Cross-cutting issues (sustainability)		
	Q14.1: Inclusive financial services: How sustainable were the institutions supported by IFAD (macro, micro and meso level)? What approaches have continued after project closures,	• Incorporation of approaches, institutions and products into local and national policies • Financial health and independence of rural finance institutions	Project reviews / reports, PCRVs, IE Key informant interviews (beneficiaries, national and county

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	and has there been a learning process for successes and failures? What were the factors enabling or hindering sustainability at the different levels?		municipal level staff, selected institutions; other development partners)
	Q.14.2. NRM Evidence on more sustainable livelihoods and natural resource management. Evidence on policy engagement (watershed management legislation etc.) Sustainability: of institutions and linkages established; of technical innovations introduced; enhanced environmental sustainability/ more sustainable use of water and land resources. Are the activities related to NRM sustainable? If not, why not? 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?	• Incorporation of approaches, institutions and products into local and national policies • Financial health and independence of environmental institutions • Environmental sustainability indicators	As above
Gender equality and women's empowerment and youth	Q.15: To what extent did the projects overcome the limitations on women's participation in activities? Are there any good practices that could inform future projects? Evidence of practical understanding of gender and youth issues in different geographical areas, between differed ethnic groups and related to different sub-sectors	• Women and youth in leadership positions of rural institutions	Desk Review : Gender differentiated analysis of beneficiary data; project documentation Project visits and stakeholder interviews (project management, service providers, women)
	Q.16: What were the project's achievements in terms of promoting gender equality and women's empowerment and which mechanisms and interventions were most effective in supporting women?	This include assessing whether there are changes to: • women's and youth access to resources, assets and services; • women's and youth influence in decision making; • workload distribution among household members; • women's health, skills, income and nutritional levels; • gender relations within HH, groups and communities in the project area.	Contextual analysis: practices documented from similar projects Key informant interviews (IFAD; local government and regional level staff, former project staff, selected cooperatives and other groups) Focus group discussions (selected groups of beneficiaries)
	Q.17: What were the project strategies to promote gender equality and women's empowerment? To what extent did it reaffirm or transform existing values and norms and/or the ascribed roles and power relations with regard to gender?		Review of PCRVs, design, MTR, PCR

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	Was the project implementation structure adequate to support effective implementation of gender equality and women's empowerment goals?		
	Q.18: To what extent did projects define and monitor sex-disaggregated results (at COSOP and project levels) to ensure that gender equality and women's empowerment objectives were being met? Youth? Quality of reporting on gender/youth issues	• Number and quality of sex and youth-disaggregated M&E indicators • Gender specialists in PMU, local government Evidence of how women and men have benefitted from project activities, in particular regarding: - access to resources, assets and services; - changes to women's influence in decision-making at home and in groups; - workload levels and distribution among household members; - health, skills, and nutritional levels - changes to income and control of that income	Review of PCRVs, COSOPS, Project logframes, MTRs, PCRs
	Q.19: Did programmes monitor the disaggregated use of resources to invest in activities promoting gender equality and women's empowerment, and if so, how do they compare to each other?	Extent to which projects had provided adequate resources to promote GEWE activities • Ratio of funding dedicated to gender equality and women's empowerment/total project costs	Review of PCRVs, project financial data
	<u>Q.20 Value chains/ Finance/ NRM</u> Extent to which the intervention integrated a gender-equality and women's empowerment perspective; What were the intervention effects on gender equality and women's empowerment; Extent to which the project involved youth (young men and women) as participants, in project design and in implementation and the results achieved	• Analysis of indicators where available • Analysis of results of gender surveys • Role and position of women and youth	Review of PCRVs, MTRs, PCRs, IE Field visits and direct observation KIIs and FGDs
Environment and Natural Resource Management	Q.21: Environment and natural resources management – how this was addressed within the portfolio, e.g. through: • Land management/degradation • Infrastructure development in mountainous areas • Community participation • Water availability/scarcity Did projects capture the lessons learnt from previous investment projects and grants? Were there any negative effects on environment and natural resource base due to project activities?	• Deforestation and erosion rates • Improved management of resources (forests, pastures, water) • O&M of infrastructure and management mechanisms	Review of PCRVs, design, MTR, PCR, GEOStat statistics Field visits and direct observation Interviews with stakeholders (beneficiary groups, local governments, ministries, other development partners with projects in area) FGD on land tenure
	<u>Q.22 Value chains</u> Extent to which the value chain intervention analysed	• Analysis of project design and progress documents.	MTR (SDCP) IE (SHoMaP)

Evaluation Criteria	Evaluation Questions	Indicators and markers	How they will be assessed
	and incorporated measures for sustainable natural resources management and adaptation to climate change; Extent to which the value chain approach contributed to strengthen producers' resilience to climate change.		Field visits and interviews with stakeholders (beneficiary groups, local governments, ministries)
Adaptation to climate change	Q.23: Adaptation to climate change – how this was addressed within the portfolio, e.g.: • Climate smart practices • Disaster preparedness measures	Extent to which climate change adaptation was incorporated and implemented in the portfolio • Technology adoption rate	Review of PCRVs, design, MTR, PCR Field visits and direct observation Interviews with stakeholders (beneficiary groups, local governments, ministries)
Innovation	Q24: What evidence is there that practices introduced by the programme were innovative? To what extent (and how) did the grants contribute to innovations in the loan programme?	• Presence of similar practices at the municipal, regional or country level	Project documents and selected development partner projects Key informant interviews (IFAD; local and regional level staff, former project staff, selected groups) Focus group discussions (selected groups of beneficiaries) IFAD Innovation policy
	Q25: What are the characteristics of innovations promoted and are they consistent with IFAD definition?	Explanation of innovation's characteristics and their alignment to IFAD definition	
Scaling up	Q26: What evidence is there that practices introduced by the programme have been scaled up? Which partners were instrumental in scaling up innovations from loans and grants? What were the mechanisms used for scaling up? Do these originate from government (at different levels), private/NGO sector, or donors?	Extent to which government (local and national) and other donor partners have incorporated IFAD practices into their own projects and strategies. • Government cofinancing ratio of similar practices/projects • Financing of similar practices/projects by other partners and organisations • Municipality/regional government/national policies using IFAD pioneered activities/investments • Donors using IFAD pioneered activities/investments	Project documents and selected development partner projects Key informant interviews (IFAD; local and regional level staff, former project staff, selected groups) Focus group discussions (selected groups of beneficiaries) IFAD's operation framework for scaling up Review of PCRVs where available

Evaluation framework – non-lending activities

Relevance of non-lending activities	Q26: Are policy engagement, partnership building and knowledge management objectives clearly outlined in the COSOP? Are they relevant to the IFAD programme as a whole? Activities that were not foreseen – how relevant were they? How well are grants aligned to the COSOP objectives and focus?	Extent to which non-lending activities were reasonably incorporated into the COSOP • Non-lending activities planned for COSOP duration • Compatibility of activities with projects and IFAD/government policies	Review of non-lending activities through • Review of grants portfolio • (Selected) grants documents • Interviews with grant managers and grantees • COSOP and Country Strategy Note documents • COSOP review data • In-country interviews with key stakeholders (government, development partners, NGOs, private sector) • ICO FGD on selected issues (ICO capacity, partnerships)
	Q27: Were resources earmarked for non-lending activities and explicitly outlined in the COSOP (e.g. through grants or administrative budget)	Degree to which grants and other resources (e.g. funding, time) were programmed and available for non-lending activities to be realistically implemented • Grants funding non-lending activities • Planned yearly activities	
	Q28: How were the work and role of other partners taken into account in selecting the focus of non-lending activities? How coherent was the selection of grants and grantees in the context of the COSOP?	Extent to which analysis and dialogue with partners was sufficient and sound enough to inform non-lending activities • Analysis and studies used to establish strategic goals • IFAD's participation in donor-coordinated studies • Number of days with other donor partners	
	Q29: Did the non-lending activities contribute to a coherent country programme strategy? What were the links between lending and non-lending activities? What did the grants contribute to the lending portfolio, e.g. in terms of innovations? To what extent were non-lending activities embedded into the loan portfolio (e.g. through the use of loan-component grants for policy engagement)?	Extent to which non-lending activities mutually reinforced intended outcomes of the overall country strategy • Mix and complementarity of lending/non-lending activities	
	Q29.1: *Policy engagement*: Were the intended focus included in the COSOP realistic? What has been achieved? How has IFAD refined its approach to policy engagement in Kenya over the COSOP period? How were the grants expected to support policy engagement? And were the expected outputs/contributions from grants realistic?	Extent to which policy engagement was based on and continuously updated on sound analysis of government capacity and engagement • Explicit strategy on policy engagement in COSOP • Consistent follow-up in supervision • Documentation of results • Evidence of inputs and results in areas of strategic focus (land registration, rural finance) • Number and quality of policies adopted, and/or of policy tools implemented in portfolio	

	Q29.2: *Partnership building*: How did IFAD follow up on the CSPE recommendation to broaden the partnerships? How appropriate was the choice of partners? How focussed and selective were partnerships? How have partnerships with public and private sector organizations been chosen, and to what effect? How important were grants to build strategic partnership?	Extent to which IFAD responded to IOE recommendations on reinforcing food safety agencies through lending and non-lending activities since 2014 • Suitability of partners to achieve strategy goals Extent to which financial partners were considered in being able to achieve long-term goals and in leveraging resources • Methods used to achieve partnerships • Number, diversity and complementarity of: co-financing partnerships; implementation partners; dialogue partners • Appropriateness and complementarity of planned and implemented activities	
	Q29.3: *Knowledge management*: Are knowledge management activities outlined in the COSOP and/or is there a specific strategy for KM? Are the available resources (including staff resources) appropriate? What was the significance and role of grants in KM? What was the role of the regional division in the support of KM activities in Kenya and at what levels (national, regional)? To what extent have lessons from success and failure been learned in IFAD's operations?	Extent to which KM featured and reinforced lending and non-lending activities Extent to which IFAD's experience in rural finance has been strategically mobilised • ESA KM strategy implemented in Kenya • Regional exchanges • Focus of supervision missions on KM	SM Documents
	Q29.4 Grants portfolio To what extent did the grants theme address the strategic priorities of COSOP and the Government of Kenya? How relevant and coherent was the selection of grantees? How relevant and coherent was the mix of different grants instrument?		
Effectiveness	Q30: To what extent and in what way did the	Effectiveness and efficiency of non-lending activities to achieve	

of non-lending activities	non-lending activities achieve the stated objectives? Could the same objectives have been achieved in a more cost-effective way?	COSOP goals • Results documented for other non-lending activities • Contribution to projects	
	Q30.1: *Knowledge management*: To what extent did lessons from earlier projects and grants inform new project designs? What KM results are documented?	Extent to which World Bank and IFAD completion reports, KM products and IOE evaluations informed new projects • Practical experiences documented and disseminated (nationally, regionally) • Activities (number and type) • Interaction between NEN and country • Incorporation of learning into Country Strategy Note	
	Q30.2: *Policy engagement*: To what extent did IFAD attempt to influence policy-level issues or regulatory frameworks? Are there any lessons that should be learned for the upcoming strategy? How effective was policy engagement around the key issues identified in the COSOP?	Degree to which IFAD used in-house knowledge and resources to engage and inform government on policy • Expertise in supervisions • Engagement through supervision and KM events	
	Q30.3: *Partnership building*: How effective were partnership types (knowledge and learning, co-financing, coordination)?	• Co-financing increases outreach and impact • Partnership types • Quality of partnerships • *KCEP-CRAL case study?*	
	Q30.4: *Grants*: What were the specific contributions from grants to lending operations and non-lending activities? To what extent have new technologies developed with grant support been disseminated in lending operations? What tangible benefits can be attributed to innovations generated through grants?	Extent to which grant products were incorporated into project design and through supervision, and whom they benefitted • Inclusion of grant-funded practices and technologies into projects	
	Q31: To what extent did the non-lending activities contribute to the replication and/or scaling up of innovations promoted by IFAD?	Extent to which government and partners learnt from IFAD processes	

	Q32: Strategic and cross-cutting issues (non-lending activities)		
	Q32.1: Engagement (*policy engagement*) What levels of engagement has IFAD been able to maintain on policy-related issues? How did IFAD and other development partners contribute to the drafting and implementation of national agricultural strategies over the evaluation period?	Degree to which IFAD was present and contributed to policy processes • Supervision expertise • Interaction with government and policy makers through supervision	Review of non-lending activities through • Review of grants portfolio • (Selected) grants documents • Interviews with grant managers and grantees • COSOP documents • In-country interviews with key stakeholders (government, development partners, NGOs, private sector) • FGDs
		Extent to which sound analysis was the basis for the rationale of partner choice • Review of partners and inclusion of these in projects and/or non-lending activities	
IFAD	Q33: How did IFAD as a partner perform (a) at project level and (b) with regard to the overall country programme management and the related processes?	Key questions and indicators include: • Administrative budget appropriate to ensure proper supervision and implementation support • Were the support, time and resources for non-lending activities adequate? • Did IFAD exercise its developmental and fiduciary responsibilities adequately? • What was IFAD's role in generating innovative solutions, scaling up initiatives, and identifying new funding sources? • What is the quality of the COSOP results management framework, project status reports and aggregated RIMS reports and country programme sheets, annual COSOP reports and were Management actions appropriate? • Number and length of supervision missions • Relevance of expertise mobilised in supervision missions • Use of no objection clauses Adoption and timeliness of supervision mission recommendations.	• Supervision reports • Annual progress reports • Stakeholder interviews • FGDs
Government	Q34: How did Government as a partner perform (a) at project level, and (b) with regard to the overall country programme management and the related processes?	Key questions and indicators include: • Did government partners provide the agreed counterpart resources (funds and staffing in a timely manner? • Were programme management units set up and properly staffed? • Did the flow of funds and procurement procedures ensure timely implementation?	• Supervision reports • Annual progress reports • ICO capacity assessment tool • Stakeholder interviews

		• Were the programme coordinating mechanisms functioning and effective? • What mechanisms were there to ensure effective coordination and communication between relevant actors working in the same sector? • Did government fulfil all the fiduciary obligations as agreed? Were audit reports done and submitted as needed? • Did Government put into place any mechanisms for scaling up innovative practices?	•
	Q35: Were the M&E systems set up properly and did they provide timely and accurate information?	Extent to which M&E systems were effective in providing management with appropriate and high quality data to maintain a proper M&E and management function • Quality and appropriateness of indicators • Key functions (baseline, implementation surveys, impact assessments) conducted on a timely and effective manner	Review of M&E data, supervision missions, MTR, IOE evaluations Key stakeholder interviews (MoA M&E staff, project managers)

Smallholder Dairy Commercialization Programme: mini survey

The purpose of the mini survey was to assess the results and performance of the activities conducted since 2006 when the SDCP programme was effective. Targeting the dairy groups, the mini survey sought to understand the capacities of the groups, progress they have made under the program and the challenges they face in the dairy farming value chain. The survey targeted nine counties including: Nakuru, Bomet, Kisii, Nyamira, Nandi, Bungoma, Trans Nzoia, Uasin Gishu and Kakamega which supported at least 1,058 Dairy Groups.

The Programme was declared effective in July 12, 2006 with a Completion Date of September 30, 2012. It was later extended by three years (for late start, post-election violence) to complete on 30 Sept 2015. In addition, IFAD approved an additional financing as well as an extension of the completion and closing dates (final completion on 30th September 2019). The implementation of this project has been undertaken by SDCP team in partnership with government of kenya, Ministry of Agriculture and Irrigation, state department of livestock.

The consultant used a quantitative technique i.e. mini survey questionnaire. A total of 118 dairy groups were targeted for this survey (at least 11 dairy groups and at most 15 dairy groups in each of the targeted 9 counties). A telephone survey was conducted consecutively in the nine subcounties with a team of 4 research assistants. Data coding and cleaning was conducted using both SPSS and Excel to prepare the data for analysis; the data cleaning process identified 5 of the sampled dairy groups to have been large groups with group sizes of more than 100 members hence were excluded from analysis. Data analysis (for 113 of 118 dairy groups) and report writing was conducted concurrently resulting in development of a final survey report.

In order to respond to the objectives of the survey, the following areas of review were identified and key findings are summarized below:

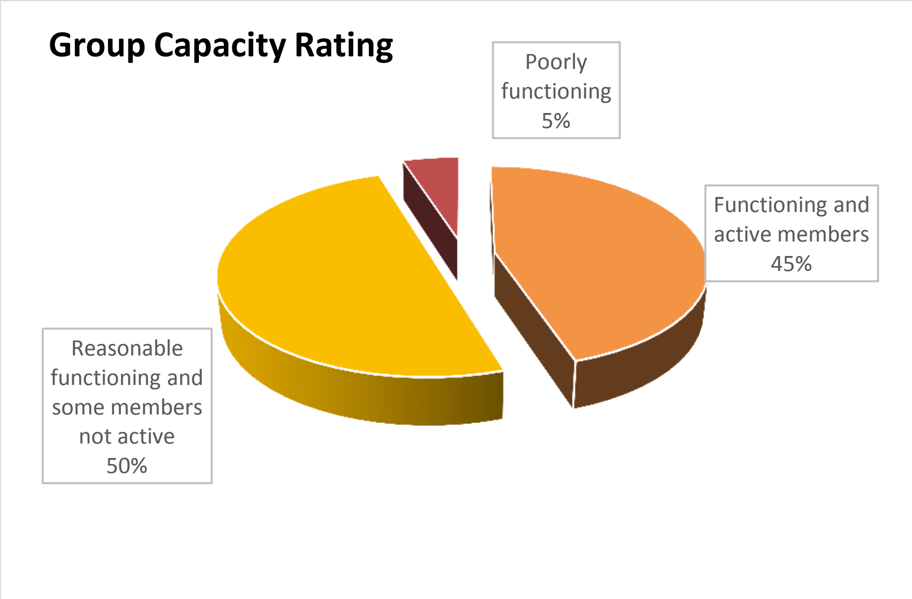
- **Group Registration**: 82 per cent of the groups were registered the same year they were formed while a smaller proportion 18 per cent were registered at least one year later; 78 per cent of the groups had renewed their registration at the time of the survey with the district gender and social development departments for their respective counties.
- **Group Membership:** The sampled groups have an average of 23 members; the number of women were more 47 per cent) compared to men (33 per cent) and youths (20 per cent).
- **Group Cattle Herd**: 45 per cent of the cows owned by the groups are foundation cows, 41 per cent cross-breed cows and 14 per cent improved cows. The groups have an average of 41 cows with an average of 27 foundation, 21 cross-bred and 7 improved breed cows. A group member owns an average of 2 dairy cows, however, some members own a maximum of 9 cows while other members do not own any dairy cow at all.
- **Group Members' Assets**: 43 per cent of the groups' members use Artificial Insemination, 21 per cent use improved feeds and 14 per cent have zero grazed cows; an average of 15 members and a maximum of 65 members use AI; an average of 7 members and a maximum of 33 members use improved feeds.
- **Milk Production:** 82 per cent of the groups aggregate and sell their milk as a group while 18 per cent of the sampled groups reported their members selling milk individually; the groups sell an average of 166 litres per day as a group with some groups selling a maximum of 2,000 litres per day; the groups selling milk as a group received an average price of Kshs. 44 per litre with a maximum price of Kshs. 60 per litre and a minimum of Kshs. 30 per litres; the group members receive an average of Kshs. 37 per litre with a maximum of Kshs. 50 per litre and a minimum of Kshs. 25 per litre; 47 per cent of the groups sell milk to the public.

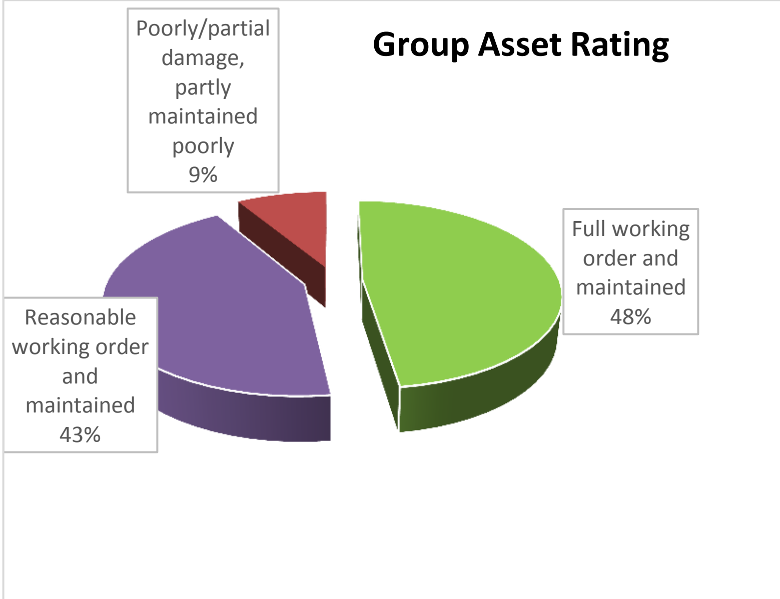
- **Group Investments**: 52 per cent of the sampled groups have group investments or assets; the common investments or assets by the groups were purchased land (22 per cent), table banking (20 per cent), Business or milk shops (15 per cent) poultry farming (15 per cent).
- **Groups Bank Balance**: 93 per cent of the sampled groups have a group bank account; the average group bank balance was Kshs. 26,553 with some groups reporting a maximum of Kshs. 250,000.
- **Groups' Challenges**: The common challenges faced by the groups were Inadequate financing (48 per cent), animal diseases and lack of veterinary services (35 per cent), Lack of market (22 per cent) and scarce and expensive animal feeds (21 per cent).
- **Groups Suggestions**: The main suggestions by the groups' contacts were provision of credit financing services (61 per cent) and conduct more trainings in dairy farming (34 per cent).

Summary of key indicators

Indicators	*per cent*
Percentage of the sampled groups that have renewed their registration to date	78%
Percentage of the sampled groups that have gender and youth inclusion	Men – 47% Women – 33% Youth – 20%
Percentage of the sampled groups that have improved breeds	Foundation – 45% Cross-breed – 41% Improved – 14%
Percentage of the sampled groups using new agricultural practices	Artificial insemination – 43% Improved feeds – 21% Zero-grazed cows – 14%
Percentage of the sampled groups whose members collect milk and sell as a group	82%
Average number of litres of milk sold by the groups	Average - 166 litres per day Maximum – 2,000 litres per day
Percentage of the sampled groups with investment or assets	52%
Percentage of the sampled groups with bank accounts	93%
Average amount of groups bank balance	Average - Kshs. 26,553 Maximum – Kshs. 250,000

Asset verification results





Effectiveness – analysis of project outcomes and results

Project	Outputs and Outcomes
SDCP	(tables below)

PROGRAMME PARAMETERS	Target	Achievements to date	
Total beneficiary smallholder dairy farmers	24,000	28,022	116.75
Small-scale milk bars and shop operators	90	307	341.11
Mobile milk traders	300	312	104
Overall total beneficiaries	24,390	28,641	117.43
Total number of beneficiary smallholder farmers household members (5 person per household at initial design and 6 actual)	120,000	168,132	140.11
Total beneficiary household members(including milk bars operators and traders)	121,950	171,846	140.92
Number of groups in MODE11		947	-
Number of groups in MODE111		149	-
Dairy farmers in the programme area	347,707	560,817	161.29
Outreach on dairy population	35%	28%	80
Number of Dairy groups	600	1,096	182.67
Average number of farmers per group	40	26	65
No. Of DCA	27	59	218.52
No. of Apex Organizations		49	-
Total number of apex organization members		22,321	-
Total number of apex organization household members		133,926	-
Total beneficiaries (including smallholder farmers milk bars operators, traders and apex organizations)		42,719	-
Total beneficiary household members (including smallholder farmers milk bars operators, traders and apex organizations)		256,314	-

SDCP Findings[1]

Component 1: Organization and Enterprise Skills of Dairy Groups
Component 2: Technical Support to Dairy Producers
Component 3: Development of Milk Marketing Chains

Activity	Achievement	Target	%
Component 1: Organization and Enterprise Skills of Dairy Groups			
DG Training in organization development	612	724	85
Targeted group members for training in organization and management	21,277	26,450	80
Training of DGs in Gender Action Learning System (GALS)	865	951	91
Group members participating in GALS	14,997	17,890	84
Training of DGs in business skills and approaches	823	1,058	78
Training on entrepreneurship, group organization and management	613	No target	-
Training of DCAC members	835	870	96
Education tours	33	35	99
Dairy groups with successful proposals for funding	133	265	50
Supported review and update of dairy enterprise plans for groups	922	1,058	87
Supported groups to prepare bankable plans	306	388	79

Activity	Achievement	Target	%
Component 2: Technical Support to Dairy Producers			
Build capacity in community-based animal health management	10	10	100

[1] SDCP AWPB (2018-2019)

for sub-counties			
demonstrations on routine husbandry practices	1096	745	145
Persons on routine dairy husbandry practices	176	158	113
model farmers/community resource persons to build local capacities	62	-	-
Field days	30	32	94
Training of model farmers/Community Resource	16	15	107
Dairy Group demos on feeds, feeding and economics	514	511	101
Training of private service providers on feeds, rations and feeding management	91	95	104
newly selected group targeted for demos – participants	8,643	9,570	90
Trained TOTs/model farmers on feed planning, rationing and mixing, feeding management	130	131	101
Training of private service providers and TOTs on animal registration and recording	18	18	30
Train trainees on animal registration and recording at county level	74	54	137
demos of biogas technologies	128	126	102
Demos on gender and environmentally friendly technologies – equipment labour, energy and time saving – grass cutters, water pumps gloves	649	669	97
technologies type	33	13	
No. of Participant	13,688	13,231	103

Activity	Achievement	Target	%
Component 3: Development of Milk Marketing Chains			
Train trainees on milk marketing	12	12	100
coolers	0	10	0
Management meetings for installation of bulk milk coolers	48	51	94
Train groups in market research, quantifying demand, reducing transaction costs, market analysis-identifying market niches, competitive pricing, market penetration	620	650	95
Train members in to improve hygienic milk handling and value addition, programme conducted non-residential training on 676 dairy groups (11,092 participants	798	800	100
DG Demos on equipment and technologies	92	135	68
DG Training and workshops for development of milk marketing chain	452	520	87
Strengthening of dairy goat apex associations	1	2	50

SHOMAP

SHOMAP Program

Objective 1: Improving physical access of rural households to markets
Objective 2. Improving efficiency of agricultural input and produce markets
Objective 3. Raising value added between the point of harvest and the consumer.

SHOMAP Findings[2]
- SHOMAP reached 152,304 people (77,293 women, 75,011 men) against targeted 60,000 people
- 21,311 HHs received programme service compared to appraisal target of 12,000 HHs
- 614 groups reached against appraisal target of 600

Activity	Achieved	Target	%
- Formation of farmer/producer groups	600	617	97%
- Trainings for : input stockists	1044	1400	75%
: farmer groups	530	500	106%
: produce traders	1091	950	115%
: transporters	585	550	106%
: marketing agents	577	400	144%
: agri-processors	752	920	82%
: government staff	2522	2000	126%
Objective 1: Improving physical access of rural households to markets			
Wholesale/retail markets	22	24	92%

[2] SHOMAP Impact Evaluation report (January 2018)

Bulking collection centers	14	22	64%
Pilot initiatives: Production aspects	29	35	83%
Pilot initiatives: Value addition and agro-processing	51	45	113%
Target markets: Fully operational	13	38	34%

Objective 1: Improving physical access of rural households to markets
- Developed 22 out of 24 targeted wholesale/retail markets, 14 of targeted 22 produce bulking collection centers
- 80 pilot initiatives were funded; 29 out of 35 on production aspects, 51 out of targeted 45 on value addition and agro-processing
- Out of target of 38 markets; 13 fully operational, 7 partially operational, 13 completed but not operational and 5 stalled/not completed

- Out of target of 230 km of roads and paths through spot improvement; the programme opened 547 km – 238%

Objective 2. Improving efficiency of agricultural input and produce markets
- billboards with price information of agricultural were erected in 15 rural markets

Objective 3. Raising value added between the point of harvest and the consumer.
- Out of 80 pilot initiatives supported; 36 are operational/sustainable, 32 not operational, 3 partially operational and 9 never started

SNCDP

Objective 1: Improve local-level governance capacity and community-driven processes for local development.

Objective 2: Broader and sustained gender-balanced access to essential primary health care services, sustainable access to safe domestic water, and improved environmental sanitation and hygiene practices

Objective 3: Better on-farm labour productivity and stronger human capacity with improved food security, nutrition and livelihood activities

Objective 4: Heightened community awareness of social behaviors and their consequences

SNCDP Findings[3]

Objective 1: Improve local-level governance capacity and community-driven processes for local development.

Activity	Achieved	Target	%
56 and CAPs; Planning Area Development Committees (PADCs	56 PRAs, 56 CAPS and 57 PADCS	-	63%
Sector committees and facility committees	264 sector and 260 facility committees	-	-
Groups developed and revitalized	1,324	15-30%	
Adult literacy	22.6%	950	115%

- programme undertook 56 PRAs and 56 CAPs; established 57 Planning Area Development Committees (PADCs) -63% of target
- 264 sector committees and 260 facility committees
- 1,324 groups were developed and revitalized
- adult literacy, 22.6% against target of 15-30%
- 96 Functional Adult Learning Centers and constructing and equipping six community learning resource centers, registering 6,276 adult learners (72 per cent of which were women)

Objective 2: Broader and sustained gender-balanced access to essential primary health care services, sustainable access to safe domestic water, and improved environmental sanitation and hygiene practices

- identification and training of 3,823 Community Health Workers (CHWs) and Home-based case (HBC) providers to provide community health care services
- delivery of 5,109 integrated outreach services where health facilities were not near to the community
- 75 health promotion days
- mortality rate among the under-fives reduced by from 28% to 22%
- proportion of mothers going to formal health facilities rather than traditional birth attendants and traditional healers increased from 18 per cent to 35 per cent
- proportion of households with basic pit latrines and VIP latrines increased from 32% at baseline to 71% by

[3] SNCDP Desk Review

completion – against national target of 75%
- proportion of beneficiaries who: preferred abstinence to protect themselves from HIV/AIDs increased from 33% at mid-term to 61% by completion
- proportion cited condoms as an appropriate method of protection increased from 26% at mid-term to 79% by completion
- proportion tested for the disease increased from 56% at mid-term to over 80% by completion
- construction and rehabilitation of 64 boreholes, 70 protected springs, 12 shallow wells, 336 roof rainwater harvesting tanks at 132 schools, 4 health facilities and 6 divisional offices; and, to serve wider areas - equipping 5 boreholes with submersible pumps (solar or electric) and connected to tanks, and gravity-fed water schemes from 7 springs
- At completion 59% of beneficiaries used safe drinking water, exceeding the design target of 50%

Objective 3: Better on-farm labour productivity and stronger human capacity with improved food security, nutrition and livelihood activities

- Access to agricultural technologies was found to have increased from 30 per cent at baseline to 44 per cent by completion
- maize production had increased from 34.3% at baseline to 40% by completion
- Increases were also noted for Cassava from 1.3% to 5.1%; sweet potatoes from 2.8% to 5.5%; beans from 15.2% to 17.9% and vegetables from 0% to 1.5% of the total production
- expansion of acreage under drought tolerant crops including sweet potatoes (834 acres), cassava (9955 acres), bananas including tissues culture bananas (180 acres) and pineapple (67 acres).
- production/yield increases (20%-50%) during project life;
- percentage increase in farm produce sold (increase in proportion of total production that is sold) (15-30%);
- percentage increase in acreage under drought tolerant and fodder crops (15-35%).
- Irrigation activities included 27 earth pans and dams, 7 micro irrigation schemes covering 210 hectares, and 19 green houses
- A total of 8829 cockerels and pullets were distributed compared to the target of 5400 poultry birds – 163.5%
- The improved breeds produced an average of 27 eggs a month compared to the local breeds that produced 21
- The project supported 234 modern apiaries with 1829 langsloth hives and 10 centrifugal extractors to groups, increasing beekeeping activities
- Distribution of 315 bucks and 196 does to facilitate the upgrading of local goats and the development of goat milk and meat markets, resulting in production of 3500 kids
- The average goat milk yield per doe increased from 0.5 to 3 litres
- The project supported the establishment of 15 CFSAs with 22,284 shareholders and led to more than KES 328 million of savings mobilized and loan disbursements amounting to KES 256 million
- average of 66.8% of the population had access to financial services at completion as compared to 45.1% at mid-term and 18.3% at baseline
- The levels of savings and update of loans was also noted to have increased significantly from 47.5% and 24.7% at baseline and 55.9% and 42.2% by completion

Objective 4: Heightened community awareness of social behaviors and their consequences

- 6 Participatory Educational Theatres (PET) and 2547 PET performances and local livelihood forums
- use of improved drinking water treatment methods by households – 35.9% boiling to 58% use of chlorination at completion

UTANRMP

1. Community Empowerment Component
2. Sustainable Rural Livelihoods
3. Sustainable Water and Natural Resource Management

Outcome 1: Rural communities empowered for sustainable management of natural resources
Outcome 2: Natural resource-based rural livelihoods sustainably improved.
Outcome 3: Land, water and forest resources sustainably managed for the benefit of local people and the wider community
Outcome 4: Project effectively and efficiently managed.

UTaNRMP Findings[4]

Results Hierarchy	***Key Indicators***	***Baseline***	***MT Value***	***MT Target***	***%***
Goal: Contribute to reduction of rural poverty in the Upper Tana river catchment.	Poverty rate in upper Tana catchment (%)	34 (2014)	27.14	27	100.05%
	Malnutrition prevalence rate for children under 5 years (%)	16 (2009)	Wasting-2.8%; Stunting-20.9%; Underweight-	15	-

[4] UTANRMP MTR Report (June 2017).

					6.8%		
			Proportion of population with temporary housing (%)	11	4.20%	9	47%
		Development Objectives: Increased sustainable food production and incomes for poor rural households in the project area; and sustainable management of natural resources for provision of environmental services.	Households with an increase average annual income (Number)	0	119,068.36	90,000	132%
			Agricultural yields per unit (a) beans, (b) green grams in bags/Ha and (c) sweet potatoes, d) bananas in tons/Ha	(a) 8.2 (b) 8.4 (c) 3.5 (d) 38	(a) 8.3 (b) 8.7 {c) 9.3 (d) 38.6	(a) 8.61 (b) 8.82 (c) 14.2 (d) 39.9	(a) 96% (b) 99% (c) 65% (d) 97%
			Base flow in rivers (M3/sec)	1.02	2.73	1.03	265%
			Sediment load in river basins in wet season (kg/l/sec)	0.7247	0.185	0.7102	26%
		Outcome 1: Rural communities empowered for sustainable management of natural resources	Community action plans (CAPs) with at least one key action implemented (Number)	0	236	150	157%
		Output 1.1: Communities with increased awareness of sustainable NRM.	Participating communities sensitized on NRM issues (Number)	0	236	150	157%
		Output 1.2: Key community organisations with increased capacity to manage natural resources sustainably.	Community organizations trained on sustainable NRM (Number)	0	352	150	235%
		Output 1.3: Community action plans for livelihood improvement and sustainable NRM.	Community action plans (CAPs) prepared (Number)	0	236	150	157%
		Outcome 2: Natural resource-based rural livelihoods sustainably improved.	Proportion of farmers in the project area using certified seeds (%)	0	26.64	2.5	106%
			Proportion of trained farmers adopting new technologies (%)	0	45.17	45	100%.
		Output 2.1: Agricultural packages adapted to agro-ecological and socio-economic contexts.	Number of on-farm trials and demonstrations (Number)	0	380	600	63%
			Quantity of seed produced and distributed (Tons)	0	247.6	360	69%
		Output 2.2: CIGs successfully adopt or improve farm and/or non-farm IGAs	CIG members adopting Income Generating Activities (Number)	0	19,175	20,000	96%
		Outcome 3: Land, water and forest resources sustainably managed for the benefit of local people and the wider community	Microbial pollution in waterways (number/100ml) Faecal coliform (wet season)	816	1,379	700	197%
			Chemical pollution in water ways; Turbidity (N.T.U)(Wet season)	236	85.6	200	43%
			Cases of human-wildlife conflicts (Number, to be confirmed in the RIMS survey)	High	Low (12.1%)	Medium	-
			Reduction in degraded forest rea in the project area (%)	0		5	-
		Output 3.1: Sustainably managed water resources.	Additional HH with access to safe water (Number)	0	17,565	20,000	88%
			Functional WRUAs established (Number)	0	35	12	292%

	Land under irrigation scheme using water-efficient methods (Ha)	0	776	500	155%
Output 3.2: Sustainably managed forest and agricultural ecosystems.	Wildlife control fence constructed (km)	0	60	40	150%
	Rehabilitated forest areas in Mt. Kenya and Aberdares (Ha)	0	1,543	700	220%
	Functional CFAs established (Number)	0	18	17	106%
	Matching grants given to CIGs to implement environment related IGAs (Number)	0	159	300	53%
Outcome 4: Project effectively and efficiently managed.	Project performance status	N/A	No Problem Project		-
	AWPB implementation rate (%)	N/A	76%8		-
Output 4.1: Fully functional governance, management, monitoring and reporting systems.	Unqualified audit reports/opinion by KENAO (%)	N/A	100		-
	Annual reports produced on time (Number)	N/A	4		-
Output 4.2: Knowledge about NRM effectively managed and disseminated to stakeholders.	Studies and publication on lessons prepared and shared with stakeholders (Number)	0	None		
	Knowledge centres effectively networked in the project area (Number)	0	1		

PROFIT

programme components:
(i) Rural Finance Outreach and Innovation;
(ii) Technical Support Services
(iii) Programme Management.

Outcomes:
Outcome 1: Enhanced and systemically sustainable access of poor rural households to a broad range of cost effective financial services;

Outcome 2: Target group effectively manages assets, markets produce and increases employment;

Outcome 3: Efficient and cost effective use of programme and complementary donor resources to achieve the development objective.

PROFIT Findings[5]

Narrative Summary	Objectively Verifiable Indicators (OVIs)	Baseline	MT Value	MT Targets	End Term Targets
Component 1: Rural Finance Outreach & Innovation					
Outcome 1: Enhanced and systemically sustainable access of poor rural households to a broad range of cost effective financial services	Percentage reduction in population (by gender) that is excluded from access to financial services in rural areas.(Male)*	31%	16.2%	24%	21%
	Percentage reduction in population (by gender) that is excluded from access to financial services in rural areas.(Female)*	32%	18.6%	27%	22%
	Percentage of portfolio increase in the agricultural & rural sectors	4%	4.5%	6%	8%
OUTPUTS					

[5] PROFIT Supervision Report (October 2017)

1.1 Volume of funds for rural/agricultural lending increased	Value of gross loan portfolio to PROFIT targeted rural/agricultural areas (of which 50% is provided to women) by programme completion*(RIMS1)	USD 6m	USD 4.6m *(4,613,000)*	USD 26m	USD 53M
	Value of savings by PROFIT targeted rural people (RIMS1)	USD 0.2 m	USD 2.248 *(2,248,000)*	USD 1m *Value of Savings - (2.76m)*	USD 2m
	Number of people benefitting from financial services (RIMS1)	153,666	193,548	200,332	247,000
	Number of Market Intermediaries benefitting from financial services (RIMS1)	100 SMEs	193 SMEs	200 SMEs	300 SMEs
1.2 A broader range of financial services and technologies adopted in rural areas	Financial products offered in the target areas (such as health insurance, livestock insurance, crop insurance, warehouse receipts, leasing products, sharia compliant products, etc.) by programme completion	7 Financial Products	8 Financial Products	11 Financial Products	At least 4 new financial products
	Number of Financial institutions participating in the project (RIMS1)	0	6 Financial Institutions	6 Financial Institutions	At least 6 financial institutions
1.3 Financial and technological innovations developed and tested for the agriculture and rural areas	Technological innovations developed and tested by programme completion				At least 2
Component 2: Technical Support Services					
Outcome 2: Target group effectively manages its assets, markets its produce and increases its employment.	Volume of produce marketed by the target producer groups increases by programme completion	Baseline data		10%	30%
	increase in operational self sufficiency of participating SACCOs by programme completion	Baseline data	53 SACCOs	40%	80%
	Proportion of people in the financial graduation project with increased assets and or in gainful employment*	Baseline data	1,600	At least 30%	At least 70%
	Percentage of business plans of SMEs and FBOs funded	0	193 SMEs	10%	30%
OUTPUTS					
2.1 Producer groups receive & use business development services and are effectively integrated into value chains	Number of members of smallholder producer groups receiving technical support services by the end of the programme period (RIMS1)	0	3,481	16,000	33,000
2.2 Value chain actors equipped with skills and capacities to manage and professionalize their business in order to access financial services.	Number of market intermediaries receiving technical support services by the end of the programme period (RIMS1)	0	193 SMEs	100 Market Intermediaries	300 Market Intermediaries
2.3 Rural SACCOs governance, management and business capacity enhanced	Number of rural SACCOs receiving technical support in areas such as governance, management and business capacity by the end of the programme (RIMS1)	0	53 SACCOs	20 SACCOs	50 SACCOs
2.4 Vulnerable women and youth graduate to financial services	Number of women and youth receiving skills training and access financial services under the two year pilot	0	1,600	1000	2600

	project*(RIMS1)				
Component 3: Programme Management					
Outcome 3: Efficient & cost effective use of programme resources to achieve the development objective	Percentage of IFAD loan and grant disbursed at mid-term and at the end of project period	0	53%	50%	100%
OUTPUTS					
Programme efficiently managed & complements government, donors' and private sector initiatives	Timely compliance with loan covenants	0	90%	50%	100%
	Timely submission of audit and periodic progress reports	0	90%	100%	100% at completion
	Percentage achievement of the AWPB	75% of AWPB spent	53% of AWPB spent	75% of AWPB spent	75% of AWPB spent

MKEPP

MKEPP Findings[6]

Objective 1: Introduce on- and off-farm environmental conservation and rehabilitation practices in the areas adjacent to rivers and trust lands, focusing on soil erosion control
Objective 2: Bring about improvements in river water management in order to increase dry-season base flow and reduce sediment loads and pollution in these rivers
Objective 3: Raise household income through improved marketing of agricultural and natural resource-based products.
Objective 4: Strengthen governance at the local level for better land use and water management

Activity	Achievement	Target	%
Objective 1 theme 1			
River line conservation (Km)	265	150	177
Spring/wetland conservation (# springs)	228	150	152
Hilltop rehabilitation (Ha)	294	200	147
School greening programme (schools participating in tree planting)	1,177	700	168
Farm Forestry (farmers participating in on-farm tree planting)	5,455	2,500	218
Farm Forestry (farmers participating in forest rehabilitation)	2,600	2,800	93
Control barriers constructed (Km)	60	387	16
Rehabilitation of KWS research centre and construction of six ranger barracks	7	No target	-
Objective 1 theme 2			
Capacity building of communities through training on participatory forest management (people trained)	3,000	No target	-
Environmental governance	No data	No data	-
Tree nursery management including seed collection and handling (people trained)	714	300	238
Objective 1 theme 3			
soil and water conservation structures implemented (# farms)	16,483	No target	-
soil and water conservation equipment procured	250	No target	-
Objective 2 theme 1			
rehabilitation/development of springs (#)	98	No target	-
rehabilitation/development of shallow wells (#)	54	No target	-
rehabilitation/development of boreholes (#)	140	No target	-
rehabilitation/development of earth/concrete dams (#)	6	No target	-
rehabilitation/development of brick rainwater-harvesting tanks (#)	12	No target	-

[6] MKEPP Desk Review

rehabilitation/development of piped gravity water systems (#)	17	No target	-
rehabilitation/development of irrigation schemes (#; Ha)	12; 1,050	No target	-
Objective 2 theme 2			
New river gauging stations (#)	24	No target	-
Rehabilitated river gauging stations (#)	54	No target	-
Objective 3 theme 1			
Rural access roads graded (Km)	182.8	53	345
Drifts/bridges constructed (#)	5	No target	-
Objective 3 theme 2			
Groups trained on marketing strategies (#)	77	No target	-
Objective 3 theme 3			
farmers trained on agronomy and marketing of high value crops, safe use of pesticides and enterprise choice (#)	1,738	No target	-
Objective 3 theme 4			
Marketing bulleting produced (#)	254	No target	-
Marketing structures constructed[7] (#)	8	No target	-
Objective 4 theme 2			
people trained on project management skills (#)	10,782	No target	-
people trained on conflict resolution (#)	2,175	No target	-

CKDAP Findings[8]

PRIMARY HEALTH CARE			
Outcome/Purpose	**Target**	EL Value	%
1. Improved access to quality community based health services health services.			
	At least 85% of target population able to access preventive basic health care (health & hygiene education) by 2011	-	-
	At least 85% of target population have acquired household sanitation & hygiene facilities by 2011	41%	
	50% of pple living with HIV/AIDS receiving Home Based Care Services by 2011	32%	
1.1 H'holds equipped with appropriate sanitation and hygiene facilities	At least 85% of planned sanitation and hygiene promotion activities accomplished by 2011	86%	
1.1.1 Train artisans on VIP latrine construction	174 local artisans trained for 5 days by 2011	176	
1.1.2 Construct demonstration VIPs in identified homesteads. using locally available materials	1130 VIPs constructed by 2011	349	
VIP latrines Replications	No. of VIP latrines Replications	1774	
1.1.3 Construct demonstration dish racks using locally available materials	1130 demo dish racks constructed by 2011	2393	
1.1.4 Health education forums conducted by Community Health workers	4 forums conducted in each FDA/Sub location per year	1042	
1.2 TB, Malaria, HIV/AIDS and STI services established	At least 90% of community members in the project area are aware of TB, HIV/AIDS/ Malaria by 2010	96%	
1.2.1 Procurement of ITNs	At least 10,000 ITN Insecticide Treated Nets) for Bamako pharmacy revolving funds (1000 per district	5456	

[7] Includes a honey refinery, a grain store and six grading sheds (MKEPP PCRV 2014. Para. 28)
[8] CKDAP Aide-mémoire (February 2011) Follow Up

	by 2010		
1.2.2 Train CHWs on Home Based Care & Nutrition	1250 CHWs trained in Home Based Care distributed across the 5 districts	1002	
1.2.3 Procurement of Home Based Care kits	1250 home based care kits procured across the 5 districts	117	
1.2.4 Train PLWHAs	250 PLWHAs trained in nutrition, life skills and treatment across the 5 districts	516	
1.3 Health Information System strengthened	At least 90% community health based units are keeping records and forwarding them to the health facilities		
1.3.1 Publishing of a community health newsletters	7 health newsletters produced per district by 2011	8	
1.3.2 Data collection by CHWs	Monthly reports prepared by CHWs	10571	
1.3.3	Chalkboards established	13	
1.4 Improved technical and management capacity of the community to implement and manage small projects	80% of the trained target population able to participate and implement primary health care activities by end of project period.		
	80% of trained CHWs functional	70%	
1.4.1 Conduct training of community health workers (CHWs)	At least 1520 CHWs trained on maternal and child health in sessions of 30 participants by 2010	1368	
1.4.2 Conduct training of Traditional Birth Attendants	At least 225 TBAs trained by 2004 in the project area	175	
1.4.3 Procurement of Growth monitoring kits	1520 Growth monitoring kits procured and distributed in Kirinyaga, Nyandarua, Muranga South, Thika and Nyeri	1370	
1.4.3.1Procurement of Bicycles.	1520 Bicycles procured and distributed.	1318	
1.4.4 Establishment of Bamako Initiatives	Establish 30 functional community units (BIs) by 2010 distributed across the 5 districts.	11	
1.4.5 Procurement of seed supplies (drugs and health commodities)	30 modules of supplies purchased for 30 Bamako initiatives by 2010.	16	
1.4.6 Conduct training for health facility management committees	21 committees composed of 9 members (Nyeri3 thika 6 kirinyaga 3 nyandarua 5 muranga south 4) on facility management (KEPH)	22	
1.4.7 Conduct training for CHCs (community unit based)	30 CHCs 13 members each trained on group dynamics and management	10	
1.4.8 Establishment of posho mills for IGAs.		6	
2.1 HIV/AIDS and STI services put in place			
2.1.1 Training of VCT counsellors	30 VCT counsellors trained (6 in each district)	48	
2.1.2 Construction of VCT centers	8 Voluntary Counselling centres constructed (VCT) by 2011(2 kirinyaga, 2 Nyeri,1 Nyandarua, 1 Muranga South, 1 Thika	6	
2.2 New health facilities constructed	40% increase in Number of functioning facilities with optimum ratio of health facilities to catchment population		
2.2.1 Upgrading of dispensaries to health centers (Maternity blocks constructed and added to existing dispensaries)	Construction of maternity: 2 in Nyandarua; 2 in Kirinyaga; 2 in Muranga South; 1 in Nyeri; 1 in Thika by 2011	8	
2.2.2 Rehabilitation of health centers	1 health center in Thika rehabilitated by 2008	1	
2.2.3 Construction of MCH blocks	1 MCH block in Nyeri constructed by 2011	1	
2.2.4 Construction of dispensaries	10 dispensaries constructed by 2011(3 Nyandarua, 1 Nyeri, 1 Kirinyaga, 2 Muranga South, 3 Thika)	8	
2.2.5 Construction of staff houses.	Constuction of staff houses	9	
2.3 Health facilities equipped			
2.3.1 Procurement of specialized medical equipment	6 modules of laboratory equipment procured by 2010.	16	

	10 dispensaries modules (Nyandarua – 3;; Nyeri – 2; Thika -3 ; Kirinyaga – 1;Maragua -1) purchased by 2010 in new dispensaries	12	
	10 health centres modules (Nyandarua 2, Nyeri 1, Kirinyaga 2, Maragua 1 , Thika 2) Purchased 2010	10	
2.3.2 Procurement of Furniture	27 sets of furniture procured for health facilities	16	
2.3.3 Procure ambulances	4 ambulances procured 1 each for Nyandarua, Thika, Muranga South and Kirinyaga by 2011	4	
2.3.4 Installation of the communication systems (radio call, cellphones,).	5 radio calls installed in the 5 districts (1 in each district) by 2011.	13	
2.4 Health Information System strengthened	At least 90% of health facilities are keeping records and forwarding health information to District Health Information Office		
2.4.1 Report consolidation and analysis	Monthly reports submitted by Health facilities to DPHO		
3. Institutional capacity Supported			
3.1 Technical & Management Capacity of the Component staff strengthened			
3.1.1 Training of health workers on TB Malaria and HIV/AIDS among others	250 trained health workers by 2011	311	
3.1..2 Conduct TOT training for health workers	130 Health workers 62 per district trained on community strategy/concept, project management, MIS, IDSR, and M&E by 2011.	273	
		180	
3.1.3 Training officers in project management and development fields	130 health workers trained in computers, Participatory approaches and Project Management by 2011	50	
3.2 Institutional Infrastructure & Assets supported	80% of project staff provided with adequate office space, working tools/equipments and adequate means of transport by 2011.		
3.2.1 Construction of office	4 DHMT office blocks constructed by 2010	4	
3.2.3 Procurement of Vehicles	5 vehicles procured and distributed to the components' institutions by 2004	5	
3.2.4 Procurement of photocopiers	5 photocopiers procured and distributed	5	
3.2.5 Procurement of Computer (Desk tops)	5 computers desktops & accessories procured and distributed to components' institutions	8	
3.2.6 Procurement of motor cycles for officers	25 motor cycles procured and distributed to the components' institutions	8	
3.2 7 Procurement of office Furniture	4 sets of furniture purchased for DHMT blocks	1	
3.2.8 Procurement of Laptops	5 Laptops (one per district by 2009)	1	
3.2.9 Procurement of TV/Deck	TV / Video deck		
3.2.10 Procurement of digital cameras	Digital camera procured.		
To improve health status and food security through increased access to safe domestic and irrigation water	Reduced incidences of water borne diseases by 25% by 2011		
	Increased income by 50% among irrigating farmers by 2011		
AGRICULTURE			
Outcomes/Purposes			
1. Access to domestic and Irrigation water increased	The target group with access to safe water within 0.5km by the end of the project period increased by 65%	96%	
1.1 Cost-effective gravity-fed piped /Canal Water schemes for micro-irrigation cum domestic water supply developed	17 gravity-fed water schemes developed and operational by 2011	16	
1.1.1 Investigation, Plan and Designs developed	17 schemes :Piped (Maragua – 3; Kirinyaga -4; Nyeri – 6; Nyandarua – 4) Canal: (Maragua -2 Nyandarua - 1) by 2009	19	
1.1.2 Construct intake works and pump houses	13 intakes (Maragua – 3; Kirinyaga -3; Nyeri – 4; Nyandarua – 3) by 2010	12	
1.1.3 Construct conveyance systems(Gravity/rising mainlines)	20 projects Piped (Maragua – 3; Kirinyaga – 4; Nyeri – 1; Nyandarua – 4) by 2010	10	

1.1.4 Construct storage water tanks	14 tanks (Maragua – 2, Kirinyaga - 4, Nyeri – 2; Nyandarua 3) by 2010	9	
1.1.5 Construct of simple treatment units	12 Dosing units (Maragua – 1; Kirinyaga – 3; Nyeri – 2; Nyandarua – 3) by 2010	1	
1.2 Cost effective pump-fed water schemes for micro-irrigation cum domestic water supply developed	5 pump-fed water schemes developed by 2010	6	
1.2.1 Investigation, Plan and Designs developed	5 schemes :Piped (Thika – 4; Nyandarua –1) by 2010	6	
1.2.2 Construct intake works and pump houses	5 intakes (Thika – 5) by 2010	3	
1.2.3 Construct conveyance systems(gravity/rising mainlines and canals)	5 projects Piped (Thika – 4, Nyandarua – 1) by 2010	6	
1.2.4 Construct water storage & distribution tanks	2tanks (Thika – 2,Nyandarua 2) by 2010	2	
3.2.5 Construct of simple treatment units	3 Dosing units (Thika – 3) by 2010	2	
1.3 Shallow wells developed & protected	35 shallow wells installed with hand pumps and operational by 2011	26	
1.3.1 Carry out hydro geological surveys for hand dug wells	35 hydro geological surveys (Thika – 15; Maragua – 4; Kirinyaga – 1; Nyeri – 0 Nyandarua – 15) by 2009	0	
1.3.2 Sink and equip hand dug wells	35 shallow wells (Thika – 15; Maragua – 4; Kirinyaga -0; Nyeri – 0: Nyandarua – 15) sank by 2010)	26	
1.4 Springs developed and protected	21 springs protected and operational by 2011	20	
1.4.1 Develop and protect springs	21 springs (Thika -6; Maragua – 11; Kirinyaga – 0; Nyeri 4; Nyandarua – 0) by 2011	20	
Construction of storage tanks for protected springs	Number of storage tanks constructed	15	
1.5 Dams constructed	8 dams constructed/rehabilitated and operational by 2011	3	
1.5.1 Construct and rehabilitate earth dams	8 earth dams constructed (Thika – 2; Maragua – 2; Nyeri – 2; Nyandarua 2) by 2011	3	
1.6 Boreholes developed	3 boreholes drilled, pump-installed and operational by 2011	5	
1.6.1 Carry out hydro geological surveys for boreholes	3 hydro geological surveys (Thika 1; Maragua – 2;) by 2010	7	
1.6.2 Sink , rehabilitate and equip boreholes	3 boreholes (Thika – 1; Maragua – 2); by 2011	5	
1.7 Rain water harvesting tanks constructed	44 tanks constructed and operational by 2011	48	
1.7.1 construct storage tanks for roof catchments and gutters	22 tanks plus gutters installations (Thika – 2; Maragua – 4; Kirinyaga – 3; Nyeri –4; Nyandarua – 9) by 2011)	24	
1.7.2 Install Plastic storage tanks for roof catchments and gutters	22 tanks plus gutters installations (Thika – 2; Maragua – 4; Kirinyaga – 3; Nyeri –4; Nyandarua – 9) by 2011)	24	
1.8 Irrigation water facilities developed	Irrigation facilities constructed and operational by 2011	2	
1.8.1 Lined water Pans constructed	30 Lined water pans for surface runoff harvesting constructed and operational by 2011	0	
	30 lined water pans fitted with drip kits and trendle pumps for run off harvesting, (2 per FDA)	0	
1.8.2 Construction of Piped irrigation schemes	4 schemes constructed in Nyeri	5	
1.8.3 Construction of furrow irrigation schemes	3 furrow schemes constructed (Nyandarua-1; Muranga South-1; Kirinyaga-1)	2	
1.9 Water resources management enhanced		0	
1.9.1 Acquisition of Water permits	11Water User groups issued with water permits	8	
1.9.2 Conduct EIAs	11 EIAs conducted for water projects	0	
1.9.3 Conservation of water sources	Area (ha) of catchment conservation in the vicinity of water sources	0	
1.9.4 Esatablishment of gauging stations	Establishment of 19 gauging stations (at each intake)	0	
1.9.5 Conduct abstraction survey	1 abstruction survey conducted per district	0	
1.9.6 Development of catchment strategic plans	Develop sub catchmentt strategic plan (1 plan per District)	0	

1.10 Technical & Management Capacity of the Water User Groups strengthened	70 % of the trained members of the water user groups participating in the project activities for sustainability by the year 2010		
1.10.1Training of Water User Group Committees	11 project committee members for 108 WUGs,WUAs,IWUAs trained by 2011	39	
1.10.2 Training of Water artisans	220 artisans trained by 2011	128	
1.10.3 Conduct education tours for WUGs	27 projects to undertake education tours for members of management committees by 2011	17	
1.10.4 Training of WRUAs	12 WRUAs trained and operational by 2011(Thika-3; Maragua 2; Kirinyaga 2;Nyeri2; Nyandarua 3)	0	
1.11 Institutional Capacity Strengthened		0	
1.11.1 Technical & Management Capacity of the Component staff strengthened	80% of staff trained serving in the project area	0	
1.11.1.1 Training of staff in various technical fields	5 officers trained in EIA by 2009	3	
		0	
1.11.1.2 Training officers in project management and development fields	# of the officers trained in computers, Participatory approaches by 2011	38	
	# of officers trained in Project Management	1	
	# of officers trained in Motor cycle riding	15	
1.11.2 Institutional Infrastructure & Assets supported	80% of project staff provided with adequate office space, working tools/equipments and adequate means of transport by 2010.	0	
1.11.2.1 Construction of office	1office block constructed in Thika by 2010	1	
1.11.2.2 Procurement of Vehicles	5 vehicles procured and distributed to the components' institutions	4	
1.11.2.3 Procurement of photocopiers	5 photocopiers procured and distributed	5	
1.11.2.4 Procurement of Computer (Desk tops)	5 computers desktops & accessories procured and distributed to components' institutions	7	
1.11.2.5 Procurement of Laptops	3 laptops & accessories procured and distributed to components' institutions	3	
1.11.2.6 Procurement of motor cycles for officers	No. motor cycles distributed to component's institutions	6	
		0	
1.11.2.7 Procurement of Plan printing machines		1	
1.11.2.8 Procurement of survey Equipment		4	
1.11.2.6 Procurement of drawing boards		3	
To improve food security, farm income and nutrition through increased sustainable agricultural production	At least 70% of the CIGs members households have period of food insecurity reduced from 4 to 2 months by 2011.		
	At least 70% of the CIGs members households incomes increased by 80% by 2011		
	Reduced malnutrition by 20% by 2011		
Outcome/Purpose			
1. Crop and Livestock Production sustainability increased	Agricultural crop yields increased by at least 30-40% in CIGs members' households by 2010	589kg/acre &232kg/acre	
	Livestock yields increased by at least 30-40% in ADG members' households by 2010		
1.1 Crops production improved	At lease 75% of established ADG/CIG members' households adopt drought escaping crops, fodder and High value crops by 2010	96%	
1.1.1 Hold demonstrations on drought escaping crops	2 demonstrations conducted for 20 groups per district per year by 2010	**1023**	
1.1. 2 Establish seed bulking sites drought escaping crops	2 bulking sites conducted for 20 groups per district per year by 2010	**895**	
1.1.3 Hold demonstrations on high value crops	2 demonstrations conducted for 20 groups per district per year by 2010	**397**	

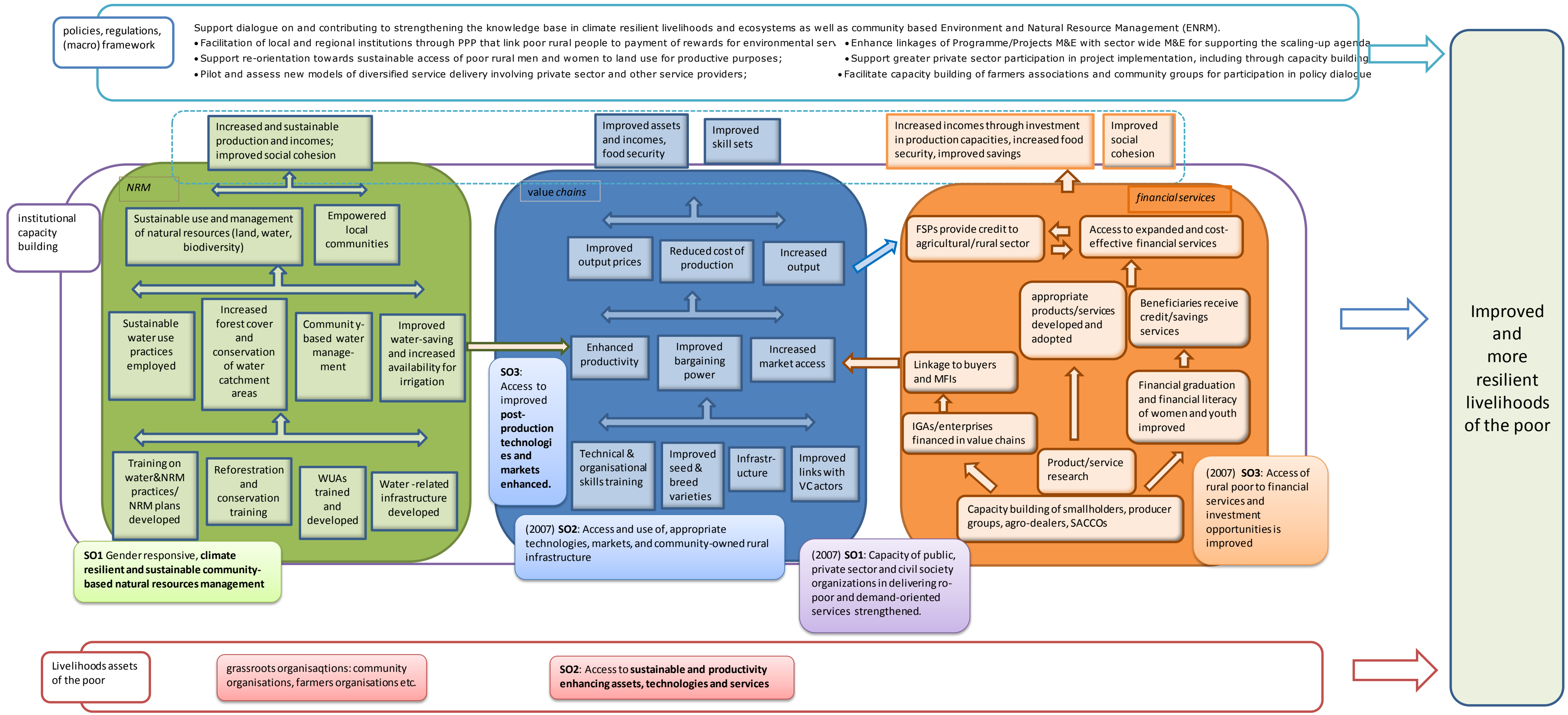
1.1.4 Establish seed bulking sites on high value crops	2 bulking sites conducted for 20 groups per district per year by 2010	**183**	
1.1.5 Conduct technical training on crop production technologies	2 trainings conducted for each of the 20 groups in each target district per year	**1679**	
1.2 Livestock production improved	At least 80% of the ADG/CIG groups with upgraded livestock by 2010		
1.2.1 Purchase initial breeding stock for demos	Breeding stock purchased for 50 groups of at least 25 members per district by 2010	4706	
1.2.2 Conduct technical training on livestock production technologies	4 trainings per group organized for 10 groups of at least 25 members in each target district per year		
1.2.3 Fodder demonstration sites established	No. Demonstration plots established by at least 80 ADGs/CIG per district by 2010	**164**	
1.2.4 Commercial fodder bulking sites established	No. Bulking plots established by at least 80 ADGs/CIG per district by 2010	0	
1.3 Micro-Irrigation technologies enhanced	At least 50% members' households adopting micro-irrigation technologies by 2010		
1.3.1 Conduct technical training on micro irrigation technologies	2 trainings conducted for 15 groups in each target district per year	**164**	
1.3.2 Demonstrate on run off water harvesting technologies for crop production	Establish 3 demonstration plots per district per year	**72**	
1.4 Value addition on agricultural produce enhanced	At least 80% of beneficiaries utilizing most agricultural products in the target areas by 2010		
	At least 50% of the beneficiaries undertaking produce preservation in the target areas by 2010		
	At least 20% of the ADG/CIG members adopt value adding technologies in the target areas by 2010	15%	
1.4.1 Conduct technical training on agricultural product utilization, preservation and processing	2 trainings organized for established ADGs/CIGs in each target district per year		
1.4.2 Set up cottage industries	1 cottage industry established per FDA by 2010		
1.4.3 Formation of marketing groups	At least 3 enterprise umbrella groups formed per district	25	
1.4.4 Construction of marketing sheds	1 marketing shed constructed per FDA per district by 2010		
1.5 Environmental conservation enhanced	At least 60% of the beneficiaries adopting environmental conservation measures by 2010	37%	
1.5.1 Conduct technical training on soil and water conservation	2 trainings per group conducted for 35 groups of at least 25 members in each target district per year	**244**	
1.5.2 Establishment of agro forestry tree nurseries	7 group tree-nurseries established per district per year	**278**	
1.5.3 Promote energy saving technologies	35 groups involved in installation of energy saving devices per year per district	**81**	
1.5.4 Carry out communal gully rehabilitation	35 groups undertake gully rehabilitation by 2010	**33**	
1.6 Partnership among service providers and beneficiaries strengthened	At least 10 partnerships developed per district by 2007		
	At least 50% of ADGs established forming partnership with other organizations (KARI, Private sector organization and NGOs) by 2010	0.70%	
1.6.1 Hold stakeholders workshops	2 stakeholders workshops held per district per year		
1.6.2 Contract partners and sign MOUs	10 partners contracted per district and 10 MOUs signed for the project period		
1.7 Improved technical and management capacity of the community to implement and manage small projects	70 % of the trained members of the CIGs participating in the project activities for sustainability by the year 2010		
	70 % of the trained members of the Community Extension Persons (TOTs) participating in the project activities for sustainability by the year 2010		
1.7.1 Train TOTs in various crop and animal husbandry technologies	500 TOT trained by 2010	**425**	
1.7.2 Procurement of bicycles	600 Bicycles procured and distributed	**491**	
1.7.3 Procure and distribute TOT kits	500 TOT kits procured and distributed (100 per district)	**140**	
1.7.4 Conduct focused farmers' study tours	2 tours attended by 35 farmers per district per year	**833**	
1.7.5 Organize farmers exhibitions	2 exhibitions organized in project area per district per year		
1.7.6 Conduct Farmers' field days	4 field days conducted per district per year	**212**	

1.8 Institutional Capacity strengthened			
1.8.1 Technical & Management Capacity of the Component staff strengthened			
1.8.1.1 Training of staff in various technical fields	# of the officers trained in the technical husbandry of crop & livestock production	**8**	
	# of the officers trained in computers, Participatory approaches by 2011	**61**	
1.8.1.2 Training officers in project management and development fields	# of officers trained in Project Management	**11**	
1.8.1.3 Conduct focused staff study tour	1 study tour conducted for 40 staff per district over the project period per year	**5**	
1.8.2 Institutional infrastructure & Assets supported	80% of project staff provided with adequate office space, working tools/equipments and adequate means of transport by 2010.		
1.8.2.1 Rehabilitation of office	1 office rehabilitated in Ruiru Thika by 2011	**4**	
1.8.2.2 Procurement of Vehicles	4 vehicles procured and distributed to the components' institutions by 2011	**4**	
1.8.2.3 Procurement of motor cycles for officers	# of motor cycles procured and distributed to the components' institutions by 2011	**14**	
1.8.2.4 Procurement of photocopiers	5 photocopiers procured and distributed by 2011	**5**	
1.8.2.5 Procurement of Computer (Desk tops)	5 computers desktops & accessories procured and distributed to components' institutions by 2011	**8**	
1.8.2.6 Procurement of Laptops	# of computers laptops & accessories procured and distributed to components' institutions	**4**	
1.8.2.7 Procurement of bicycles for staff	No of bicycles procured by 2011		
To improve health ,food security and income levels of the beneficiaries through institutional capacity strengthening	At least 850 groups (140 WUGs, 400 ADGS, 70 Health Management committees, and 240 IGAs) sustainably managing their projects/ enterprises/activities by 2010	1096	
1.1 Communities sensitized and mobilized	40 communities sensitized and mobilized	39	
1.1.1 Conduct community mobilization and sensitization meetings		366	
1.2 Beneficiary groups mobilized	1064 community groups mobilized and at least 850 groups fully in project implementation by the year 2010	1061	
	# of management committees and subcommittees in place	1061	
1.2.1 Verify the existence of groups and their capacity	200 verification visits per sub location/ FDA in the project area 2007		
1.2.2 Conduct groups census and assess their capacities	5 groups census conducted and growth level for each group determined	5	
1.2.3 Mobilize and form marketing groups	60 marketing groups formed and strengthened by the year 2011	107	
1.2.4 Organize CKDAP stakeholders forums	10 CKDAP stakeholders forums organized	17	
1.2.5 Mobilize and form WUGs, CIGs/ADGs, HMCs	500 CIGs/ADGs, 177 WUGs, 87 HMCs formed by 2010	1061	
1.3 Beneficiary groups trained	1064 groups trained to manage their project facilities project implementation by the year 2011		
	At least 850 groups participate fully in the project activities	723	
1.3.1 Conduct training needs assessment for groups	250 groups assessed annually and training needs well documented	727	
1.3.2 Develop training plans and finalize groups training manual	1 training manual for the project are produced by 2011	1	
1.3.3 Train various groups as guided by Training plans	500 ADGS with a total of 12,500 members trained by 2011	14248	
	177 WUG members/leaders trained by 2011	6478	
	87 HMCs groups trained on management skills by 2010	623	
	300 IGA groups trained on IGA skills by 2011	11142	
1.3.4 Organize education visits to other CKDAP Districts	450 groups member ADGs, WUGs, HMCs, IGAs, visit other CKDAP Districts by year 2011		
1.3.5 Train community groups on entrepreneurship	300 youth groups trained on entrepreneurship by the year 2011		

1.4 Focal Development Area Committees supported	15 FDACs trained to implement, manage and sustain projects by the year 2011	15	
1.4.1 Mobilise the FDACs to engage in IGA	15 FDACs engage in IGAs	6	
1.4.2 Conduct FDACs Organizational Development assessment	15 FDACs OD capacity assessment conducted by the year 2011	15	
1.4.3 Conduct FDACs quarterly meetings	38 FDACs quarterly meetings conducted by the year 2011per district	31	
1.4.4 Training of FDACs	15 FDACs trained by the year 2011	15	
1.5 CAPs developed and reviewed			
1.5.1 Conduct CAP development	15 CAPs developed 3 in each district	20	
1.5.2 Conduct annual CAPs review	12 reviews made for the developed CAPs in each district by 2011	35	
1.6 Institutional Capacity strengthened			
1.6. 1 Technical & Management Capacity of the Component staff strengthened			
1.6.1.1 DSDOs and Group Development Field Staff trained in various technical fields	60 DSDOs their deputies and Group Development Field Staff trained by the year 2011	28	
	250 Division Implementing Teams trained on Organizational Development by the year 2011	82	
	# of the officers trained in computers, Participatory approaches by 2011	56	
1.6.1.2 Training officers in project management and development fields	# of officers trained in Project Management	2	
1.6.1.3 Conduct focused staff study tour	1 study tour conducted for 40 staff per district over the project period per year	1	
1.6.2 Institutional infrastructure & Assets supported			
1.6.2.1 Construction of office	1office block constructed in Muranga South by 2010		
1.6.2.2 Procurement of Vehicles	5 motor cycles procured and distributed to the components' institutions		
1.6.2.3 Procurement of photocopiers	5 photocopiers procured and distributed	5	
1.6.2.4 Procurement of Computer (Desk tops)	5 computers desktops & accessories procured and distributed to components' institutions	5	
	Laptops procured and distributed	3	
To improve health ,food security and income levels of the beneficiaries through coordination and management	At least 80% of project objectives achieved by 2011.		
Purpose/Outcomes			
1. Improved management and coordination.	100% of the targeted overall implementation realised and communities benefiting by 2011	83%	
	100% of funding disbursed by 2011	89%-grant;70%-Loan	
1.1 M&E and MIS enhanced			
1.1.1 Establish a functional M&E system	Development of Key performance indicators	1	
	Develop Project Log frame for subsequent review	1	
	Conduct 1 Baseline survey by 2003	1	
	Conduct at least 3 follow up surveys	0	
	Develop Planning and Monitoring database	1	
	Develop an output-Outcome database	1	
	Develop Project M&E manual	1	
1.1.2 Mid Term Review conducted	1 mid term evaluation by 2004	1	
1.1.3 Completion report prepared	Compile 1 completion report by Mid 2011	0	
1.1.4 Impact household Survey conducted	1 Impact household survey conducted for the project	0	
1.1.5 Conduct the DPCU/DPIT monthly planning and Review meetings	108 meetings to be conducted per district	427	
1.1.6 Hold FDAC quarterly Planning and Review meetings	12 meetings conducted per year per district	70	

1.1.7 Organize and hold annual review workshops	1 annual review workshop per district per year	45	
1.1.8 Organise for external supervisions	Organise for at least 1 IFAD supervision mission per year	10	
	Organise for at least 2 PCC supervision visits per year per district	9	
	Organise for at least 2 Provincial Supervision visits per year per district	4	
	Conduct at least 2 PMU supervision visits per year per district	10	
1.1.9 Conduct district based monitoring visits	At least 2 DPCC monitoring visits per year per district	58	
	At least 4 DPCU/DPIT monitoring visits per year per district	140	
1.1.10 Reports preparation	1 Annual progress report prepared every year	8	
	1 Bi-annual progress report prepared every year	9	
	12 monthly progress reports prepared every year per district		
1.2 Consolidated and integrated AWPBs produced	AWPB timely produced and implemented every year		
1.2.1 Divisional planning workshops held.	1 divisional planning workshop held per year per district	9	
1.2.2 District planning workshops held	1 District Planning workshop held per year per district	9	
1.2.3 AWPB harmonization workshop held	1 Harmonization workshop attended by DPCU/HODs held regionally	5	
1.2.4 AWPBs Prepared and consolidated	1 AWPB compiled, consolidated and produced per year	10	
1.3 Financial management improved			
5.3.1 AIEs released	4 AIEs released to each cost centre per year	200	
5.3.2 SOEs compiled and submitted	*12 SOEs compiled by each cost centre per year*	4450	
5.3.3 Withdrawal Applications prepared	*At least 4 Withdrawal Applications made per year*		
5.3.4 Organise for Audit Report preparation	1 audit report prepared annually	9	
1.4 Institutional Capacity strengthened			
1.4.1 Technical & Management Capacity of the Component staff supported			
1.4.1.1 Training Needs Assessment conducted for all project staff	1 TNA conducted by 2007	1	
1.4.1.2 Conduct focused staff study tour	1 study tour conducted for 40 staff per district per year	1	
1.4.1.3 Train project staff in computer skills	District Treasury & DDOs staff trained in basic computer packages	13	
1.4.1.4 Training DDOs , ADDOs and UNVs on Project Cycle Management	5DDO's, 5 ADDO's and 5 UNVS trained by 2009	7	
1.4.2 Institutional Infrastructure & Assets supported			
1.4.2.1 Construction of office	No. of offices constructed by 2010		
1.4..2.2 Rehabilitation of office	8 vehicles procured and distributed to the components' institutions by 2010	5	
1.4.2.3 Procurement of Vehicles	# of motor cycles procured and distributed to the components' institutions		
1.4.2.4 Procurement of photocopiers	8 photocopiers procured and distributed	5	
1.4.2.5 Procurement of Computer (Desk tops)	8 computers desktops & accessories procured and distributed to components' institutions	10	
1.4.2.6 Procurement of Laptops	15 laptops & accessories procured and distributed to components' institutions	7	

Theory of change



COSOP Recommendations Follow Up.

Recommendation (CPE 2011)	***Follow up (CSPE 2018)***
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 portfolio rightly built on NRM, and continued community-led approaches
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.	ASAL was the focus for the extended phase of KCEP termed KCEP- CRAL, while the financial graduation component of PROFIT also targeted this area. But UTNRMP, SDCP, the other components of PROFIT and the ABDP do not have a particularly strong ASAL focus.
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.	Value chains in dairy, horticulture, cereals and aquaculture have been the priority sub-sectors. Private sector involvement has been pursued through financial services, input dealers, marketing and aspects of extension. Small-scale irrigation has featured in UTNRMP but not strongly elsewhere. KCEP has targeted technology development for livestock, crops and soil fertility in ASAL environments.
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.	IFAD has indeed continued to promote community-led approaches across its operations in value chains and NRM. Diary, maize, sorghum, millet, and horticulture groups have built up productivity and incomes and some have become recognised and registered entities. Gender targeting has on the whole been effective. Market access has improved though infrastructure, training and added value, though moving to larger-scale bulk processing and buyers is still in progress.
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**	There have been various examples of innovatory practices and processes being tested and introduced. These cover a range of areas including in water management, credit systems such as e-vouchers and risk sharing, and milk processing. SMEs have received financing and training to support agro-processing.

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 engagement, based on good practice examples and lessons emerging from the field.	Some scaling up has occurred within project areas and between initial and follow up phases of projects. Partnerships with FAO, WFP and EU have helped expand poverty impact. But opportunities have been missed and the resources of multilateral banks have not leveraged as expected. There is strong anticipation that the PROFIT financial leveraging model will be adopted by others.
A more integrated country strategy.	
The new COSOP should more precisely articulate how the various IFAD instruments (**loans, regional and country grants, policy engagement, 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 engagement, knowledge management and partnership building).	The mix of instruments deployed in the COSOP have not been very optimal; and the synergy between loans grants and policy engagement, partnership building and knowledge management could have been stronger. Grants have not been closely linked to lending portfolio and have largely been devised and administered from HQ and out of the purview of the ICO. Non-lending activities, particularly policy engagement and knowledge management have been under-resourced and so have not been able to fulfil their potential to build on the rich experiences generated from the project portfolio.
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 engagement, 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 engagement with Government on key agriculture and rural development issues.	IFAD-supported projects have assisted well in the drafting of policy documents in several areas, but these have not reached the point of enactment yet. Concrete partnerships with AfDB, WB and USAID have not been achieved. However good operational relationships and co-funding have been achieved with WFP, FAO and the EU. Joint dialogue has been active through the various policy fora to which IFAD belongs.
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.	Government has maintained a high priority on agriculture as a leading pillar of its poverty reduction and growth strategies including the most recent Big Four agenda. It has not though met the 10% CAADP funding target for the sector, aiming instead to increase private sector investment. Some steps have been taken to strengthen financial management systems, but this has taken time and IFAD operations have suffered delays especially at start-up due to both government procurement and recruitment systems and IFAD's own approval systems.
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.	Government has though complied with loan conditions and met its obligations as far as funding .

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