



Mid-Term Evaluation of the Project

Promote and Strengthen Enterprises and Market Systems in Drought-Prone ASAL Areas in Kenya

Project Number: KEN 1098-12 EU

Contract Number FED/2012/305-253

Evaluation report prepared on behalf of Welthungerhilfe Bonn by:

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I. Summary

A Mid-Term Evaluation of the project “*Promote and strengthen enterprises and market systems in drought-prone ASAL Areas*” (Project Number: KEN 1098-12 EU; Contract Number FED/2012/305-253) was conducted from June 1 to June 16 in Kenya. The project holder Welthungerhilfe contracted the independent consultant Paul Wolterstorff M.A. to conduct this mission. He was supported by the overall project coordinator Jackson Nabaala as well as by advisors and project officers of the implementing German Agro Action (GAA - Welthungerhilfe), Netherlands Development Organization Kenya (SNV) and Neighbourhood Initiative Alliance (NIA). The project is funded by the European Union (EU) under the Kenya Rural Development Programme (KRDP) Lot II. The project will be implemented for a period of 3 years (Internal Proposal: August 1, 2012 to July 30, 2015; due to late end of the inception phase the project period was adjusted to November 20, 2012 to November 19, 2015).

The contract agreement was signed on the 20th November 2012 by the former Ministry of Northern Kenya and Other Arid Lands as the contracting authority with Welthungerhilfe (DWHH) as the project holder. The project is to be implemented in partnership with SNV-Netherlands and NIA.

The Overall Objective of the project is to foster development of robust private sector market systems in fodder, fodder seed, beef and milk value chains in Arid and Semi-Arid Lands (ASAL). The project aims to improve the potential of 3 value chains namely the commercialization of fodder and fodder seed production, livestock marketing and milk production and marketing in the semi-arid Counties of Kajiado, Narok and West Pokot.

Four Specific Objectives (SO) are supposed to contribute to the achievement of the overall objective: SO 1: To facilitate income diversification and livelihoods through commercialization of fodder and fodder seed production by improving the value chain for target groups, including the private sector; SO 2: To increase and sustain access to markets and enhance equity by strengthening linkages between livestock producer groups and terminal markets through livestock Market Access Companies (MAC); SO 3: To build capacity of women milk producers to maximize returns and SO 4: To influence response to climate change through generating and sharing innovative knowledge and skills.

Target groups are women, youth, Capacity Building Authorities, indigenous people and key decision makers including community elders and land owners. Additionally, MACs, agro-vet and seed companies, meat traders and vendors are targeted by the project. Final beneficiaries are 19.800 households benefitting from improved and diversified income among pastoralists. Women are economically empowered and benefit 10.800 households. Increased and improved market access for livestock producers is promoting 16.200 people.

Framework conditions in Kenya are characterized by severe social problems, such as alarming poverty rates (approximately 46%), high child mortality, weak drinking water supply, difficult access to sanitation facilities and weak provision of health services. A high population growth

rate of 2.1% and millions of unemployed youth put enormous pressure on the social stability of the country. In contrast to this, significant potential for development exists. The Gross Domestic Product (GDP) grew 5% and more in the last years. The discovery of oil deposits in Kenya creates economic optimism. Huge infrastructure projects, including road, pipeline and railway construction, have been initiated.

Economic outcomes and impacts contributed to the achievement of major targets defined on Overall Objective level. The project was rather successful in fodder production, which is addressed in project objective and result one. It succeeded in the production of increasingly available fodder being available for livestock producers at times of need, as mentioned in Specific Objective Indicator (SOI) 1.1. Most of the indicators on this level have been met: 30 fodder/seed producing groups have been trained; market actors and service providers became acquainted with value chain development strategies and placement of additional acres of land as a pilot project placed under fodder has been realized. As a consequence, an increasing quantity and quality of fodder is starting to be available on local markets at affordable prices and at critical periods during the year. Storage building contributed to the creation of additional revenue from the sale of fodder. In Kajiado 10,100 bales of hay have been harvested in 2014 due to project interventions. 100 Steers of approximated value of Kshs 4 Million were sold in November 2014. Interviewed beneficiaries stated that they have used the incremental income for investment in education (tuition fees, school uniforms and schoolbooks), housing (renovation of damaged houses and/or building of new houses), acquisition of land, better nutrition (via cultivation of vegetables and fruits, which they could not afford before training), medical care and better clothes. They also invested in income generating activities (cooler for milk production; milk containers, stores for hay; brush cutters, purchase of better breeds, construction of fences, etc.). A certain limitation of the above mentioned strengths in fodder production are difficult access to fodder seeds, so far weak linkages with large scale fodder producers and a relatively small sample of approximately 3000 producers benefitting from increased fodder production.

Strengthened linkages between livestock producer groups and terminal markets, as requested by Specific Objective 2, have been promoted through the creation of three MACs comprising 170 members. Members of MACs have been trained, business plans have been prepared and 31 members benefitted from exposure visits. So far achieved economic impact is three times faster livestock fattening due to fodder feeding. There are potentials for increased profit margins via better understanding of livestock quality issues including grading systems. Equitable income for producers through increased market linkages and transparency and increase in returns from livestock marketing can, however, not been measured yet. Increased capacity of producers to manage herd size in response to the environmental conditions is only starting to be created.

Capacity building of female milk producers in order to maximize their returns (Specific Objective 3) starts to create economic impact. Milk producers report increased income. Established platforms serve the purpose to exchange on framework conditions of the milk

sector. Better marketing is enhanced by the creation of milk collection centres starting to be focal points of increased milk production. Additionally, joint transport of milk and increased access to credits due to the creation of revolving funds has been achieved. A certain limitation of the above stated positive impact is missing outreach: So far only about 1300 milk producers could be organized (target: 10.800). A complete Monitoring and Evaluation (M&E)-system for monitoring and recording milk sales from producer groups is not set up yet and some milk collection centers only start to install their milk coolers.

The most important **socio-cultural outcomes and impacts** are empowerment of pastoralists through training and continuous counselling. These services result in the mastery of new techniques and skills. Beneficiaries got organized and learned better planning, discussion, problem solving and social interaction techniques. Their resource management capacities have improved contributing to sustainable and inclusive rural economies. This is especially valid for women: Interviewed female milk producers stated that they have gained more independence. Increased income would enable them to conduct activities which had been controlled by male so far. The project also assisted in gaining a better understanding of the benefits of joint actions thus contributing to social cohesion. Due to fodder production livestock of pastoralists can now survive dry seasons without moving to more fertile regions. They can stay at home with their families thus increasing social stability of families and communities.

Organisational & political outcomes and respective impacts have been achieved on the level of Specific Objective 4 targeting a positive influence and response to climate change through generating and sharing innovative knowledge and skills. The project was extremely successful in supporting Drought Contingency Plans (DCP) through a process of continuous refinement, comprising the preparation of digital contingency response plans. It improved the capacities of communities to participate and benefit from drought contingency planning via consultative processes. Best practices of the project, such as fodder and milk production promotion, have been integrated into DCPs. Additionally, coordination of various partners increased during the consultative process. Interviewed drought coordinators praised the effectiveness of project contingency support interventions: The project would have *“opened the door”* for a dissemination of improved DCPs to other ASAL areas.

The project achieved some **environmental outcomes and impacts** as well. Due to project interventions improved hygienic conditions and veterinary care have been initiated in livestock MACs including slaughterhouses. Project staffs assisted in the dissemination of environmental friendly ploughs reducing erosion. Promoted pastoralists also care better for their land. They build fences and engage in weeding in order to increase their harvests. The use of fodder allows pastures to recover contributing to ecological stability of the addressed counties.

Numerous pastoralists start to engage in **economically sustainable** livelihoods. They possess the technical know-how on how to increase fodder- livestock and milk-production. Market oriented milk production is already implemented by more than 1000 female milk producers.

Interviewed female milk producers expressed highest interest in continuation and up scaling of this profitable activity. Some of the investments made with incremental income are already sustainable. This is valid for the purchase of land, establishment or enhancement of acreage for fodder production, renovation and construction of houses and investments in education. Additionally, milk and fodder producers are connected with public service providers offering training facilities, on the spot advice and support services, such as delivery of required inputs. LCBs offer training and upgrading courses which are affordable for micro operators (approximately 1000 KSH per day). However, investments in milk production, such as coolers and generators, are often not fully functional yet and some entrepreneurial activities need more physical inputs in order to consolidate businesses (e.g.: better building materials for improved storages, devices for water collection and irrigation systems, technical equipment and machinery for planting and harvesting as well as means of transport for milk delivery). The project also failed in generating continuously gathered data. Systematically collected figures on income increase, investments and impact of consolidated businesses have not been generated. An analysis of economic sustainability depends therefore on statements of interviewed beneficiaries and occasionally presented data in project documents.

Contributions to **socio cultural sustainability** have been achieved. The project improved community cohesion via support of cooperatives and producer groups. Cooperatives and producer groups have been trained in sustainable group management. They are able to administer their groups and monitor adequate financial management. They improved their social interaction and problem solving abilities. Project counselling also improved planning techniques – trained groups are able to analyze their problems, identify solutions, prioritize them and prepare respective time-bound action plans. Decreasing migration due to availability of fodder in times of drought contributes to peace and stability in conflict prone counties. Limitations of socio-cultural sustainability are seen in a so far insufficient promotion of self-help groups and cooperatives. Administrative, social and operational abilities of cooperatives and producer groups are not fully developed yet; they need further support in order to achieve full sustainability.

There are signs for **organisational and political sustainability**. Brookside, a milk processing market leader, and public institutions intend continuing with improved rangeland management training including fodder production. Line ministries also want to engage in continuous promotion of MACs. Especially Drought Contingency staffs, such as the West Pokot Drought Contingency officers, have a keen interest in sustainable promotion of project activities. Additionally, LCBs will continue offering milk, fodder and livestock production training prepared by the project. Weak public institutions might, however, hinder full fledged political and organizational sustainability. Interviewed beneficiaries stated that Govt. failed so far in the delivery of extension services. Neither physical equipment nor human resources might be sufficient for a continuation of project interventions.

Improved hygienic conditions and veterinary care in livestock MACs are substantial parts of business plans promoted by the project thus contributing to **environmental sustainability**.

MACs will continue to care for sustainable impact in this regard. The use of environmental friendly ploughs will also continue and will be supported by Government institutions. Farmers have a high interest in increased fodder production and will therefore continue maintaining own land.

The evaluator confirms high **relevance** of the project. The project is highly relevant for beneficiaries in improving their resilience against drought through creation of entrepreneurial perspectives in the field of fodder, livestock and milk production. Migration decreased due to availability of fodder in dry seasons. Interventions are also in line with the *GAA Kenya Food Security and Nutrition Strategy (2014)* targeting improved nutrition knowledge, attitudes and practices among target communities and strengthened resilience ensuring the ability of beneficiaries to adapt to shocks and stresses in a manner that reduces chronic vulnerability and facilitate inclusive growth. They correspond to the recently published *Welthungerhilfe Orientation Framework: Sustainable Food and Nutrition Security* suggesting to address underlying causes of malnutrition through nutrition sensitive interventions. The project also corresponds to the *Welthungerhilfe Regional Programme East Africa* targeting enhanced food and nutrition security and strengthening of livelihoods of rural and peri-urban populations affected by poverty, conflict and natural disaster. It supports private sector involvement as suggested in the German Ministry for Economic Cooperation and Development (BMZ) country concept (2010). The high relevance for the partner country Kenya is confirmed by compliance of project interventions with Kenyan policies, such as targeting increased productivity, better land use, increased effectiveness of markets and better value addition mentioned in the *Kenya Agricultural Sector Strategy 2010-2020* and strengthening of climate resilience of communities in the ASALs thus ensuring sustainable livelihoods as highlighted in the *Ministry of State for Development of Northern Kenya and other Arid Lands Sessional Paper No.8*. Little impact in the field of advocacy partially reduces the policy reform relevance of the project: The option to register constraints of pastoralists and to transfer this knowledge to advocacy “round tables” was insufficiently taken.

The **effectiveness** of the project is hampered by overambitious planning. The Logical Framework foresees addressing 19.800 households in the context of fodder-; 16.200 beneficiaries in the context of livestock- and 10.800 households in the context of milk-production by female entrepreneurs. It intends value chain development and the preparation of replicable working models in all three sectors.

The overall objective of the project - to foster development of robust private sector market systems in fodder, fodder seed, beef and milk value chains in Arid and Semi-Arid Lands (ASAL) – is measured by the indicator “Working models of improved value chains for milk, beef and fodder in target Counties”. The project succeeded in establishing working models in fodder production for approximately 3000 beneficiaries. A digital livestock marketing system installed at Keekonyokie MAC Kiserian allows transparent follow up of bids; 250.000 households are targeted by the MAC. 2482 members of milk producer groups could significantly increase their milk production. However, robust private sector market systems are not achieved yet and

linkages with private sector companies only start to take shape. The implementation of technical innovations, such as construction of fodder stores, increased use of brush cutters, dissemination of computerized livestock marketing systems and installation of milk cooling systems, is not completed for all cooperatives and all counties. The delivery of fodder seeds and water- and transport infrastructure weaknesses remain a significant challenge for smooth project implementation.

The project did not gather **efficiency** data in a systematic way. A precise efficiency assessment is hence not possible. Project interventions suffered from delays caused by a longer than expected inception phase; time intensive identification and group building of beneficiaries, difficult trust building among beneficiaries, internal management problems (especially non-optimal harmonization of management tools and processes of GAA and SNV) and external challenges, such as a severe drought in late 2014. As a consequence, measurable project impact, such as increased income of beneficiaries, just begins to take shape. Efficiency tendencies exist so far only in individual measures.

The major **conclusion** of the mid-term evaluation is therefore that the full potential of a very promising approach for the promotion of drought prone ASAL areas has not been realized yet. The evaluator recommends a six months prolongation of the project. The following **recommendations** serve the purpose of further consolidation of already initiated impact.

For Welthungerhilfe, Bonn:

- Encourage country offices in implementing quick start projects for rapid impact.
- Assist GAA country offices in learning from “green projects” (use of bio fertilizers and pesticides).
- Analyze and discuss required duration of value chain development projects (they might require more time than three years).
- Develop easy to handle Impact Monitoring Tools; bridge the gap to result oriented monitoring systems.
- Discuss whether there are marginalized regions where “robust private sector market systems” cannot be built up due to weak infrastructure and vast distances to the next urban centre.

For Geman Agro Action (Welthungerhilfe), Kenya:

- Sensitize staffs for Impact Monitoring and help projects installing respective systems.
- Encourage continuous baseline data gathering.
- Monitor new projects and ensure the conduct of joint planning workshops with stakeholders and beneficiaries.
- Analyse visibility of projects.
- Discuss options and strategies for easier access to water (comprising linkages to WASH programmes).
- Assist projects in season sensitive planning.

- Discuss the option to collect advocacy issues in all implemented projects in order to inform advocacy round tables on constraints of pastoralists.
- Promote green approaches, as promoted by BMZ green colleges (comprising vulgarisation of bio fertilizers, bio pesticides and renewable energies).

For the project:

- Conduct a joint collaboration and management workshop aiming at clarifications of management issues, such as management tools, M&E, required processes for timely implementation of planned activities, roles and responsibilities on various levels.
- Prepare an outline of a Plan of Operation during this workshop.
- Organize a result and impact monitoring training.
- Insert Impact Milestones into the Plan of Operation: Concentrate on consolidation of started activities and emphasize avoidance of negative impact due to non-completed activities.
- Link up with sector specialists in order to define strategies for timely acquisition of high quality seeds, appropriate fodder for different counties and best suited livestock breeds.
- Improve access to improved equipment (rainwater harvesting systems; baling devices and tractors).
- Use local radio stations for dissemination of contingency plans.
- Discuss issue of difficult transport of milk from distant regions.
- Collect Advocacy Issues; such as milk transport problems, and transfer respective information to PPD “round tables”.
- Prepare an Exit Strategy comprising a workshop with presentation of the produced video, brochures and other materials.

As essential **learning experience** must be noted that cooperation between partners who did not work together before requires sufficient time for harmonization of processes. Full responsibility for the implementation of project activities should only be given to partners after this “inception” phase.

Good practices from the project recommended for replication are the application of community-based participatory approaches based on existing social structures and linkages with local and regional service providers; promotion of self-organization via counselling of self-help groups and cooperatives; concentration of on already existing traditional occupations based on easily accessible resources in order to upgrade and upscale these occupations and concentration on “low hanging fruits” easily creating incremental income, such as fodder and market oriented milk production.

