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profile

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Republic of Kenya - Impact Evaluation of the Smallholder Horticulture Marketing Programme

In 2005-2006, severe poverty afflicted some 50 per cent of Kenya's population. The majority of very poor people resided in areas with sufficient rainfall where small-scale horticulture provided livelihood opportunities. Horticulture was also important to the national economy since it accounted for about 33 per cent of the country's agricultural gross domestic product and 7 per cent of national gross domestic product. It is against this background that the government of Kenya, in collaboration with the International Fund for Agricultural Development (IFAD), launched the Smallholder Horticulture Marketing Programme (SHoMaP) in 2007.

The overall goal of SHoMaP was to reduce poverty among poor rural households by increasing their incomes and reducing unemployment and underemployment in medium- and high-potential farming areas where horticultural production was an important source of livelihood through the use of a value chain approach. In addition, the programme aimed to increase the health and welfare of Kenyans by improving the quality and increasing the quantity of horticultural produce consumed in the country.

In line with the decision of the IFAD Executive Board, in 2017/2018 the Independent Office of Evaluation of IFAD (IOE) carried out an impact evaluation of the programme. It used robust techniques for carrying out a quasi-experimental design, including the use of propensity score matching, and involving mixed methods. Some 1500 households from beneficiary and comparison groups were interviewed. Although the focus of the evaluation was decisively on assessing impact, it covered all other evaluation criteria adopted by IOE (relevance, effectiveness, efficiency, sustainability, gender equality and women's empowerment, innovation and scaling up, and performance of partners).

Main evaluation findings

The impact on horticultural producers' incomes and food security was positive and primarily realized through the production node of the value chains. Training provided to commercial village groups had a greater impact on agronomic practices than on marketing knowledge. Programme farmers had higher income gains in the treatment group compared to the control group (Table 1) as a result of greater gross margins driven mainly by higher yields in some of the programme-promoted horticultural commodities, such as bananas and Irish potatoes (Table 2).

TABLE 1: Agricultural income effects

Variable		All crops
Agricultural Income	ATT Standard Error	14,917.55** (6,490.41)

(in local currency)
*Significance levels: ***p<0.01, **p<0.05, *p<0.1*

TABLE 2: Average effects for yelds (kg/acre) of individual crops

	Banana	Irish Potato
ATT	4,040.39**	2,220.93**
Standard Error	(1,969.96)	(1,058.71)

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

Note: ATT is the average treatment on the treated (i.e. the average gain from the programme for programme participants as compared to non-participants).

Value chain development rightfully targeted several building blocks of the chain: market analysis, improvement of input markets, increased capacities of farmers to engage with value chains, formalized and sustainable trade linkages and investments in infrastructure. However, the scope of value chains was limited by district boundaries. A holistic value chain approach transcending administrative boundaries might have had a greater impact.

The lack of trust among group members was the most common denominator in explaining the less-than-desired outcomes of commercial villages. Issues of lack of accountability and poor governance and management also acted as barriers to successful group-working.

The negative effects of devolution of power from central to county governments were most visible for the market infrastructure aspect, where several market structures built using the programme funds were not functioning (Figure 1). The reasons included a lack of common understanding among the various stakeholders regarding responsibility, ownership and management of markets, as well as a lack of adequate legal status for the market management committees.

Figure 1: Status of market structures (numbers)

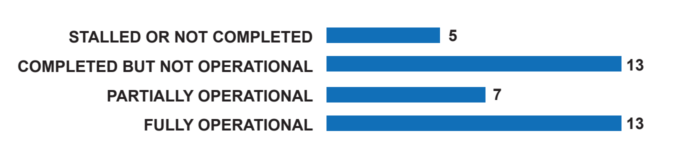
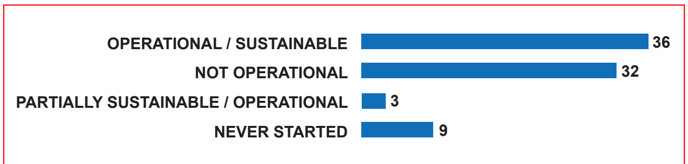


Figure 2: Status of pilot iniciatives (numbers)



The pilot initiatives for value-addition and agro-processing did not perform as expected while initiatives that were production-oriented (such as greenhouses) performed better. Figure 2 shows the status of the initiatives. The reasons for under-performance included undercapitalization, poor management and lack of clear business growth strategy. The small grant size received by groups was found to be insufficient.

Main recommendations

- **Recommendation 1. In value chain-related interventions, adopt an integrated approach and a proper sequencing of activities.** This entails considering the chain in its entirety, not restricted by internal geographic boundaries, and placing emphasis on upstream, production and downstream activities. In addition, the value chain interventions need to be properly sequenced in order to achieve their full potential.

- **Recommendation 2. When strengthening relationships among value chain actors, allocate sufficient time and support for capacity development and behavioural shifts to take shape.** Enhancing and helping coordinate stronger relationships can potentially achieve a number of benefits to make the value chains work more effectively. However, programmes need to factor-in sufficient time and continual support for attitudinal shifts among actors to take effect, especially in contexts where trust among marketing group members can take longer to build.

- **Recommendation 3. Target individual entrepreneurs or smaller enterprises for agro-processing while positioning farmers as suppliers of raw materials.** Focusing on a few, individual entrepreneurs and providing them with support would have greater impact, since farmer groups usually lack the necessary capital and entrepreneurial attitude to make small agro-processing enterprises sustainable.

- **Recommendation 4. For infrastructure-related interventions, establish mechanisms for collaboration among stakeholders as part of the programme exit strategy.** The point of departure for establishing such mechanisms should be a negotiation of the respective roles and responsibilities of the stakeholders, an area where IFAD programmes can play an important role to facilitate agreement.

THE PROGRAMME AT A GLANCE

Date of loan signature and
date of effectiveness: **10 July 2007**

Date of loan closing: **30 June 2015**

Total programme cost: **US$ 32.15 million**

IFAD contribution: US$ 23.53 million
Government financing: US$ 7.23 million
Beneficiary contribution: US$ 1.39 million

Number of beneficiaries:
21,311 (direct) beneficiary households

Source: Project Completion Report 2015.

Further information:

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