

profile



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REPUBLIC OF KENYA - COUNTRY STRATEGY AND PROGRAMME EVALUATION

The Independent Office of Evaluation of IFAD conducted the second Country Strategy and Programme Evaluation (CSPE) in Kenya in 2018. The CSPE assessed the outcomes, impact and performance of IFAD-supported activities undertaken in the country since 2011. It also intends to inform IFAD's new country strategy opportunity programme (COSOP) in Kenya, to be prepared in 2019.

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.

The past seven years in Kenya have seen considerable political, economic and environmental challenges. Achieving food security through higher incomes and greater food resilience are central tenets of the Government's new Big Four strategy. It is expected that smallholder production will be boosted by improved feed supply, credit, warehousing, licensing and support to small and medium enterprises. The private sector should also adopt an increasingly vital role in driving the rural economy forward. 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.

Main evaluation findings

Overall the portfolio has achieved a moderately satisfactory performance. Continuity in project implementation has built on existing institutions and on lessons learned. But new and complex designs with new partners have affected efficiency, with delays in disbursement, recruitment of qualified staff and partnership agreements.

The portfolio has been well aligned with government strategies. IFAD has also been innovative in bringing in solutions around credit delivery, agro-processing and environmental management. Geographic targeting has been sound. The focus on youth could have been better. Pastoralists in the arid areas were not targeted.

There have been positive economic changes, such as increased productivity, higher incomes and improved food security, for farmers in all projects. Group approaches in



natural resources management and value chain projects have enabled beneficiaries to share the risks. But often these groups did not transform into more permanent structures, because they lacked formal recognition or status.

Gender equality has been a successful theme. Women's access to resources, assets and services has improved and they have gained influence in decision-making at home, in groups and in the community. Relatively less attention has been given to reducing women's time poverty by promoting an equitable workload balance between women and men.

The large scale of operations, the complexity of projects and the geographic spread have overstretched 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. Opportunities to consolidate knowledge from loans and grants have not been used. Partnerships mainly focused on project service provision, and the potential role of the private sector in value chains was not emphasised.

KENYA AT A GLANCE

Population: **49.7 million (2017)**

Rural population: **36 million (2016)**

Rate of gross domestic product growth: **4.9% (2017)**

Poverty headcount ratio at national poverty line: **36.1% of population (2015)**

Life expectancy at birth: **67.0 (2016)**

Human development index: **0.590 (2017), 142th out of 189 countries**

Total number of loan-funded projects: **18**

Total number of IFAD loans approved since the first loan to the country: **US\$372.7 million**

Sources: *World Bank Development Indicators data bank; United Nations Development Programme (UNDP) human development index*

Key recommendations

- Consistent with the importance and size of the Kenya portfolio, commit sufficient effort and resources to non-lending activities.** Given the significance of Kenya as hub for international development partners and the size of IFAD's investment in the country, the Fund needs to go beyond lending. The next COSOP should define specific areas for policy engagement together with an actionable strategy and dedicated financial and human resources. 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. Mechanisms for cross-learning between projects and non-lending activities should be adopted as part of the annual COSOP review.
- Build on IFAD's comparative advantage and retain focus on selected themes and geographic areas.** IFAD should focus its lending on areas where it has recorded success in the past. The following three areas should continue to be the focus of the IFAD programme: natural resources management; pro-poor value chains; and rural finance. Geographic stretch should be reduced through greater focus on selected counties in semi-arid areas.
- Address recurrent design and institutional issues undermining programme efficiency within the context of the ongoing devolution process.** Efficiency of project management should be improved through more realistic timeframes and better sequencing of activities. IFAD should aim to reduce loan disbursement delays. The Government should recruit project staff and set up expenditure processes in a more timely manner. Fiduciary controls should be retained in small but capable project management units, but seek greater integration with devolved government planning, financial procurement and monitoring and evaluation systems. IFAD should ensure that County Integrated Development Plans incorporate project activities, and that county government budgets assume an appropriate level of co-financing. IFAD and the Government should assess the economic return and value for money more rigorously, particularly for value chain projects.
- In line with Government's strategic planning, create space and opportunities for engaging the private sector.** Within the Government's strategy (Big Four), the private sector is expected to contribute significant financing to drive the rural economy 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.

Further information:

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