

Kenya Country Strategy and Programme Evaluation

Nairobi, 5 December 2018

Statement by Mr Oscar A. Garcia, Director of the Independent Office of Evaluation of IFAD

**Honourable Mwangi Kiunjuri, Cabinet Secretary for the Ministry of
Agriculture, Livestock, Fisheries and Irrigation**

**Professor Japheth Micheni Ntiba, Principal Secretary for the State
Department of Fisheries, Aquaculture and the Blue Economy**

**Mr Nelson Gaichuhie, Chief Administrative Secretary for the National
Treasury and Planning**

**Mr Juma Omondi, Director of Water Resources for the Ministry of Water and
Sanitation**

**Distinguished guests and officials of the Government of the Republic of
Kenya and other Development Agencies; IFAD colleagues**

Ladies and Gentlemen,

I am truly honoured to be here with you today and have the opportunity to address the participants to this National Workshop, co-organized by the National Treasury and Planning of the Government of the Republic of Kenya and the Independent Office of Evaluation of the International Fund for Agricultural Development (or IFAD), in close collaboration with IFAD's East and Southern Africa Division.

My heartfelt appreciation goes to the Government of Kenya, in particular to the National Treasury and Planning and the Ministry of Agriculture, Livestock Fisheries and Irrigation, for their invaluable support and collaboration throughout this country strategy and programme evaluation process, and especially, in the organization of this event.

I wish to take this opportunity to also thank my colleagues in the Programme Management Department. I am grateful to Mr Donal Brown, Associate Vice-

President PMD, for his presence; to Ms Esther Kasalu-Coffin, Country Director for Kenya who will later guide us in reflecting on future directions for the Kenya country strategy; and to the IFAD Kenya Country Team for their valuable inputs, openness and constructive attitude towards this country strategy and programme evaluation in general.

I also wish to mention that, as part of the events related to this workshop, on Monday, the IFAD delegation had the opportunity to visit and observe selected field activities of interventions co-funded by IFAD in Kirinyaga County. This has given us an opportunity to directly hold discussions with beneficiaries and their groups, project staff, local government authorities, and to see project activities on the ground. I take this opportunity to thank the local authorities and the partners from the Upper Tana Project for their warm hospitality and constructive engagement.

Lastly, I would like to extend a warm thank you to Ms Johanna Pennarz, Lead Evaluation Officer and to her team, who conducted this comprehensive evaluation.

Before addressing the main findings of the evaluation, I would like to take a moment to highlight once again the importance of the independent evaluation function and how IFAD's robust and evidence-based practice has contributed to the improvement of the lives of rural people around the world.

Our evaluation approach is tailored to best address the important dimensions of rural poverty, impact, gender equality, natural resource management and adaptation to climate change as well as innovation and scale-up of results. Our mission, ultimately, is to strengthen the performance of IFAD-financed projects and activities in Kenya and other member states by promoting accountability and learning.

The purpose of undertaking this country strategy and programme evaluation in Kenya has been to provide an impartial and rigorous assessment of performance that will pave the way for the Government, IFAD and other partners to develop the next country strategy - COSOP - and new projects financed by IFAD.

The findings, conclusions and recommendations of this country strategy and programme evaluation will provide valuable inputs for the preparation of the Agreement at Completion Point (or ACP). This is a short document, which

summarizes the main evaluation recommendations and includes the specific follow-up actions that the Government of Kenya and IFAD Management will agree to adopt and implement within specific timeframes. The follow-up actions will be further elaborated in the new country strategy (or COSOP); the ACP will be attached to the COSOP.

Hence, this workshop is an important opportunity to discuss how the recommendations from the evaluation should be addressed. At the same time it marks the beginning of the new strategic cycle of IFAD in Kenya.

Ladies and Gentlemen,

Since 1979, IFAD has been working together with the Government of Kenya, committing US\$376 million in highly concessional loans to support rural poverty reduction and agricultural development, and has invested in 18 agricultural and rural development programmes and projects.

Recently, Kenya has achieved *lower middle-income country* status and is now one of the fastest growing economies in Sub-Saharan Africa. Agriculture remains the backbone of the economy, employing nearly two-thirds of the population and providing livelihoods to 70 per cent of rural inhabitants. Therefore, the partnership between IFAD and the Government of Kenya is extremely important for us to improve food security and livelihoods among smallholder farmers, especially women and the rural youth.

In this context, the Sustainable Development Goals have set important challenges; we therefore need to continue our partnership with Kenya, working together to achieve a more sustainable consumption and production development pathway and at the same time reaching the goal of *leaving no one behind*.

This morning, my colleague Ms Johanna Pennarz, will present the main findings and recommendations of the evaluation of IFAD's country strategy and programme, which covers operations in Kenya since 2011. Later, my colleague Hansdeep Khaira will briefly guide us through the findings of the Impact Evaluation of the Smallholder Horticulture Marketing Programme. This impact evaluation was conducted between 2017 and 2018 and provides a solid body of evidence, which also fed into the country strategy and programme evaluation.

At this stage, I will highlight only a few findings from the evaluation, as more comprehensive presentations will follow shortly.

An analysis of the portfolio shows that IFAD projects have covered, and continue to cover, a wide range of activities and sectors, from marketing and value chains to rural financial services and credit, natural resources management, capacity building and many more.

Overall, the portfolio has achieved a moderately satisfactory performance. It has been well aligned with Government strategies, and continuity in project implementation has built on existing institutions and on lessons learned.

There have been positive economic changes, such as increased productivity, and higher incomes for beneficiaries in all projects. Food security has generally improved, as beneficiaries had access to more diverse food baskets, including higher levels of animal and vegetable proteins.

The programme has been very successful in promoting gender equality and women's empowerment, which has in fact led to significant achievements. Women's access to resources, assets and services has improved and they have gained influence in decision-making at home, in groups as well as in the community.

Furthermore, IFAD has been innovative in bringing in solutions around credit delivery, including approaches such as value chain financing, agro-processing and environmental management.

At the same time, despite the significant achievements just mentioned, there are still some issues that deserve further attention.

Firstly, adapting its operational approaches to the ongoing process of devolution has been a major challenge for IFAD. This was one of the factors affecting the portfolio's performance and sustainability over the evaluation period, in addition to reorganizations of the ministries and policy reform processes.

Secondly, 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 achieved full potential. And synergies between rural finance and value chain projects are yet to be realised.

Thirdly, while targeting of the poor has been successful, especially in terms of gender, the youth could have been better addressed. They have benefitted from project activities but IFAD could have done more to develop activities to attract young people to agriculture, given the high level of youth unemployment in Kenya.

Finally, the evaluation notes that the limited resources of the IFAD Country Office have been overstretched by the large scale of operations, the complexity of projects and their geographic spread. Managing loans and supervising projects has left little time to engage in non-lending activities and opportunities to consolidate knowledge from these have not been used as there was very little time to engage in policy processes. Furthermore, partnership building mainly focused on project service provision, in particular, the role of the private sector has not been harnessed for value chain development.

To conclude, I would like to highlight that, as evaluators, we have provided an impartial assessment of IFAD's programme in Kenya. Now, with your support and active participation, we can engage frankly and constructively in a dialogue to gain a better understanding of future opportunities and ways to overcome possible constraints, while promoting a more inclusive, and sustainable transformation of the rural sector in the country.

Thank you again for being here today.

I wish you a very productive and frank discussion during the workshop.