Final Evaluation of the Project

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

Project Number: KEN 1098

EU Contract Number FED/2012/305-253

Evaluation report prepared on behalf of Welthungerhilfe Bonn by:

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I. Summary

A Final Evaluation of the project *"Promote and strengthen enterprises and market systems in drought-prone ASAL Areas"* (Project Number: KEN 1098; EU Contract Number FED/2012/305-253) was conducted from April 6 to 19 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 Millicent Mbithi as well as by advisors and project officers of the implementing German Agro Action (GAA - Welthungerhilfe), Netherlands Development Organization Kenya (SNV) and Neighbours Initiative Alliance (NIA).

The project is funded by the European Union (EU) under the Kenya Rural Development Programme (KRDP) Lot II. The project was implemented from November 20, 2012 to November 19, 2015. Due to the need of consolidation a six months no-cost extension has been authorised by EU.

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 as the project holder. The project is 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. Unemployment stands at 40%. Poverty headcount ratio at $1.25 a day stood at 31.8% in 1997 and increased to 43.4% in 2012. Estimates see the current poverty rate at 46%. A high population growth rate of 2.1% and millions of unemployed youth put enormous pressure on the social stability of the country. Additionally, high child mortality, weak drinking water supply, difficult access to sanitation facilities and weak provision of health services challenges development objectives of the country. In contrast to this, significant potential for development exists. The Gross Domestic Product (BIP) grew 5% and more in the last years. 2016 statistics see it at 6.5% in 2015 (estimate). The discovery of oil deposits in Kenya creates economic optimism. Huge infrastructure projects, including road, pipeline and railway construction, have been initiated.

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. The generation of additional income via improved fodder- milk- and livestock production contributes to poverty reduction and the achievement of Goal 1 (Combating Severe Poverty and Famine) of the 2030 Agenda for Sustainable Development). Interventions are 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 *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.

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*. Improved cooperation with technical working groups as well as sector committees and councils due to mid-term evaluation recommendations improved the policy reform relevance of the project. Direct beneficiaries stated that the "*project has opened our eyes*". They would have been "*nothing*" before; now they would feel like "*graduates*".

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 1300 direct beneficiaries. 2587 members of milk producer groups could significantly increase their milk production and approximately 500 livestock producers benefit from training in livestock rearing and management. Thousands of indirect beneficiaries, such as family members, relatives and neighbours, benefit from increased income and improved drought resilience. Due to mid-term evaluation recommendations, technical innovations, such as fodder stores, brush cutters and milk cooling systems, improved significantly. However, livestock market access companies (MAC) and digital livestock marketing systems have not been accepted and used as expected. The model seems to be too complex for beneficiaries with relatively low educational background. Robust private sector market systems are not achieved yet and linkages with private sector companies only start to take shape.

Staffs of KEN 1098 did not gather **efficiency** data in a systematic way in the first two years of project implementation. After mid-term evaluation project management reacted to this deficiency. A project management workshop in July 2015 analysed deficiencies and encouraged project staffs to collect more data. However, field officers had only few remaining months of project implementation for this task (SNV interventions ended already in 12/2015). A precise efficiency assessment is hence not possible. Efficiency tendencies exist only in individual measures. Local Capacity Builders (LCB) assessed a total benefit per year and acre of approximately 50.000 to 100.000 KSH in the field of fodder production. Data delivered by SNV supports the above shown facts: More than 9000 bales of hay with a value of > 3 Mio. KSH could be harvested so far. The Enaidurra/Emparnat milk cooperative in Kajiado could increase its daily milk production during dry season from 60 to 1500 litres. The milk is sold to wholesalers for 36 KSH. Before, middlemen offered 20 KSH per litre only. The Kaiboss dairy group in West Pokot could increase its production from 20.000 litres in 9/2015 to 53.000 litres in 1/2016. Livestock fattening is a profitable income generating activity, generating an average of 40-67 % profit per cycle of 3-6months. Livestock producers stated that trainings led to increased profit margins and less losses due to diseases and poor cattle management. However, meat cartels prevented an implementation of an already won tender of the MAC Kiserian in Kajiado. Additionally, the digital marketing and the livestock scale was not used by beneficiaries. As a consequence, “hard facts” on increased income due to modern systems of livestock marketing do not exist. Efficiency rates in the field of livestock production remain low.

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: 54 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 total, 3047 acres of grass consisting of natural pastures as well as Boma Rhodes variety were established in the three counties. In addition, on-site demonstrations were conducted during fodder establishment. 4 milk cooperatives and over 351 commercial farmers were sensitized and trained on fodder production and pasture conservation. 1500 acres were protected under natural standing hay in Kajiado county and were harvested.

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. 29 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. Whereas a better understanding of livestock quality issues including grading systems has been achieved, digital marketing systems and marketing plans are not used as expected. Equitable income for producers through increased market linkages and transparency and increase in returns from livestock marketing has not been achieved due to these modern concepts. An 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) creates economic impact. A total of 2587 women from 54 women groups have been organized into cooperatives and associations in the 3 counties. 2482 producers have been trained so far. Milk producers report increased income. Established platforms serve the purpose to exchange on framework conditions of the milk sector. 35 milk collection centres have been established. They are focal points for 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 2482 direct beneficiaries could be promoted (target: 10.800). A complete Monitoring and Evaluation (M&E)-system for monitoring and recording milk sales from producer groups has not been set up.

Interviewed beneficiaries stated that they have used the incremental income for investment in education (tuition fees, school uniforms and schoolbooks), rain water

harvesting, 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 and construction of fences). Some female beneficiaries created micro enterprises (for example jewellery production and agro-processing).

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 (e.g. storage management; management of milk collection centres and increased livestock management 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. Mid-2016 Drought Contingency Officers started to refine DCPs on village level. Best practices of the project, such as fodder and milk production promotion, have been integrated into DCPs. Drought Contingency Authorities applied for additional funds for further dissemination of these activities. 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. Project assistant would have been “*highly relevant*” and “*very effective*”.

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. Due to

recommendations of the mid-term evaluation, WHH in Nairobi plans to link up with “green projects” in order to use best practices for own interventions.

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 2500 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, rain water harvesting systems 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, some entrepreneurial activities need more physical inputs in order to consolidate businesses (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). Mid-term evaluation findings led to the engagement of a Monitoring and Evaluation (M&E) officer. Inputs of this specialist will lead to more precise measurement of economic impacts.

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, works closely with milk cooperatives in West Pokot. Public institutions intend continuing with improved rangeland management training including fodder production. 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 fletched 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 the field of livestock production contribute to **environmental sustainability**. 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 major **conclusion** of final evaluation is therefore that very promising approaches for the promotion of drought prone ASAL areas have been successfully implemented. They require further consolidation, upscaling and improvements in some technical fields.

The following **recommendations** serve the purpose of further consolidation of already initiated impact. They are supposed to assist project managers of the new BMZ "One World – No Hunger initiative" with the Programme Objective: "To strengthen the resilience of pastoral households and reduce their susceptibility to hunger and malnutrition in Kajiado and Narok Counties by the year 2020".

<u>Recommendations for Welthungerhilfe Bonn</u>[1]

- Encourage country offices in implementing quick start projects for rapid impact.
- Assist WHH 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.

<u>Recommendations for the remaining months of the project</u>

- Prepare technical best practice documentation for the final workshop.
- Prepare activity plan for consolidation, improvement and upgrading of project activities:
    - Consolidation: Longer, more intensive trainings with additional subjects and more entrepreneurial training;
    - Up-scaling: Access of more beneficiaries to offered services and more private sector involvement;
    - Improvements: Focus on increased project impact achieved by well-analysed advice on the best options, early identification of support services & private sector players and creation of coalitions with other partners in order to cope with power struggles.

[1] These recommendations of the mid-term evaluation are still valid. Management decisions defining responsibilities of Welthungerhilfe departments and units with regard to the suggested improvements have not been taken yet.

- Invite numerous “donors”and NGOs as well as public and private sector institutions & organisations to the workshop.
- Disseminate the project documentation“The Review” before conduct of the workshop.
- Encourage other players to take over project activities (Action plan: Who is doing what when where how? = Mini Projects).
- Link milk & fodder groups with spare part suppliers and repair service providers.

Recommendations concerning the management of future projects:

- Supervise the definition of precise indicators and impact oriented M&E systems with milestones.
- Avoid creation of too high expectations among beneficiaries.
- Implement quick start projects and promote convincing best practices.
- Reserve more time for group building and empowerment of beneficiaries.
- Employ logistic officers.
- Allocate sufficient budget for transport, per diem, etc.
- Reserve sufficient time for harmonization of management and administrative processes of implementing partners.
- Conduct comprehensive planning workshop with all relevant partners.
- Reserve sufficient time for value chain/market system development (< 6 years) or concentrate on few activities you can do best.
- Conduct thorough social cultural analysis (role of elders, gender issues, etc.).
- Allocate sufficient budget and manpower for networking and advocacy issues.

Recommendations concerning sector specific improvements of future projects:

Fodder

- Prepare consultancy services based on the analysis of different options for storages.
- Advice on appropriate fodder species.
- Prepare guidelines for appropriate use of fodder for family/market/contingency purposes.
- Prepare consultancy services with regard to the cultivation of seeds.
- Advice on best-suited baling and harvesting equipment.
- Ensure access to spare part suppliers and repair services.
- Prepare strategies for improved access to water.

Female Milk Production

- Prepare thorough analysis of gender issues during build-up phase of milk interventions.
- Advice on appropriate use of milk (use for family or for market with special emphasis on the avoidance of malnutrition of children due to insufficient supply with milk).
- Prepare guidelines describing options for increased profit margins.
- Advice on value adding activities.

Livestock

- Avoid complex management systems, such as slaughterhouse marketing plans and digital marketing approaches.
- Concentrate on easier to manage activities, such as farm management training.

Drought Contingency Plans (DCPs)

- Put DCPs on top of your ASAL drought programme
- Design other results in a way that they support DCPs.

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.