



Application of the PPVC Approach in National Agriculture Investment Plans

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- Governments often face a challenge in deciding which policies and investments are needed to achieve development objectives
- In the ag sector, NAIPs are developed to facilitate this process
 - Build from broader country goals (in national strategies)
 - Identify key interventions, value chains, investment areas (e.g., agricultural inputs, extension services and irrigation) and translate them into policies and programs with clear targets and resources requirements
 - First and critical step towards policy prioritization

- Identify actionable policies, investments, institutions and private actors needed to ensure that value chains are competitive, profitable and contribute to national goals
 - Tease out tangible and clear actions
 - Concise and targeted options that take into consideration budgetary constraints facing policymakers
- Requires in-depth analysis of
 - Market dynamics
 - Competitiveness
 - Profitability
 - Economy-wide impacts on development outcomes and policy trade-offs

- ❑ Tools required for analysis exist
- ❑ Assist in determining how and where we need to focus efforts, budgets and investments
- ❑ Tools are rarely used together to provide comprehensive assessments of policy options
- ❑ Hence, governments lack crucial information needed to design actionable and cost-effective policies that can drive achievement of development outcomes
- ❑ PPVC will assist to create realistic and implementable options from the onset

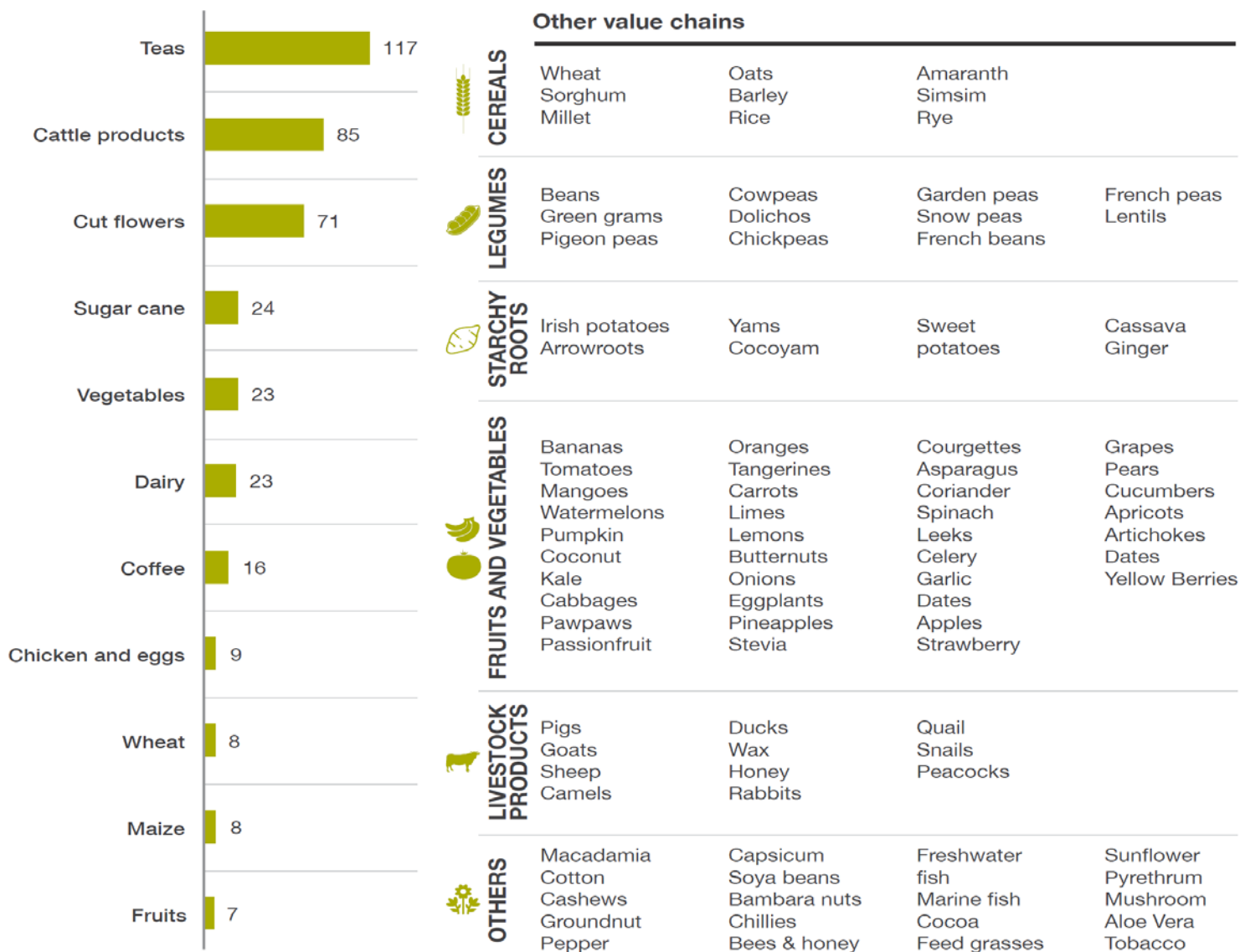
Example of Kenya's Case



FIGURE 12: LIST OF KENYA'S ~100 PRODUCED VALUE CHAINS

Kenya produces ~100 value chains, with the highest production value coming from tea, livestock products and flowers

Top value chains by marketed value, 2016, KES bn



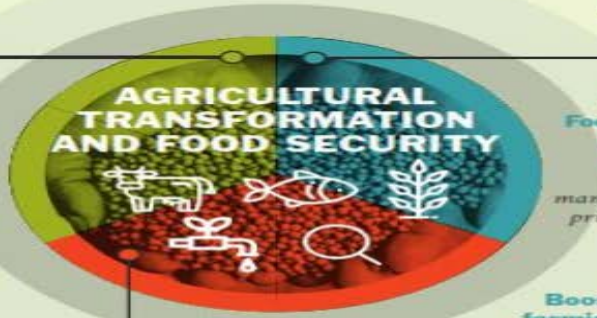
SOURCE: Kenya Economic Review of Agriculture 2015, KNBS County Statistical Abstracts

- ❑ Income potential and dietary diversity for agricultural transformation and food security
- ❑ Kenya's agro-ecology and competitiveness
- ❑ National priorities beyond food production
 - Economic transformation
- ❑ Cash crops that are important to the overall agricultural sector---foreign exchange earnings
 - Branded tea, sugar, coffee, cotton
- ❑ 16 VCs identified and prioritized

9 FLAGSHIPS

DRIVE KENYA'S AGRICULTURAL TRANSFORMATION AND SUPPORT FOOD SECURITY ASPIRATIONS

"A vibrant, commercial and modern agricultural sector that sustainably supports Kenya's development in the context of devolution, short-term national aspirations for 100% food and nutrition security, and longer-term global CAADP and the SDG commitments"



INCREASE SMALL-SCALE FARMER INCOMES



1 Target 1 million farmers, pastoralists and fisherfolk in an initial 40 zones served by 1000 farmer-facing SMEs that provide inputs and equipment including for irrigation, processing and post-harvest aggregation



2 Shift nationwide impact support programme focus to register 1.4mn high-needs farming households and empower them to access a range of inputs from multiple providers, enabled by an e-voucher delivery system

INCREASE AGRICULTURAL OUTPUT AND VALUE ADDITION



3 Set-up 6 agro-processing hubs across Kenya using a one-stop-shop rapid PPP process for local and export markets



4 Unlock 50 large-scale private farms (>2,500 acres) with 150,000 acres under sustainable irrigation from existing infrastructure (e.g., rehabilitate dams, dual-purpose hydro-power), with competitive bidding, and government provided infrastructure (e.g. power, roads)

The Agricultural Transformation Office (ATO) will report to the Chief Administrative Secretary (CAS) at MoALFI and will help deliver the transformation via inter-ministerial coordination, performance management, and mutual accountability. It will share best practices and lessons learned across key transformation stakeholders, and escalate issues to the Cabinet Secretary at MoALFI as necessary

BOOST HOUSEHOLD FOOD RESILIENCE



5 Restructure the Strategic Food Reserve (SFR) to better serve 4mn high-needs Kenyans through competitive digital reserve stock and cost management with private sector, and price stability managed through the Ministry of Finance



6 Boost food resilience of 1.3mn farming, pastoralist, and fishing ASAL households through community driven design of interventions, and more active coordination of development partners and private sector resources through regional economic blocs

ENABLED BY



7 KNOWLEDGE AND SKILLS
Launch 3 knowledge and skills building programs focused on technical and management skills in the field for 200 national and county government transformation leaders, 1000 farmer-facing SMEs, and 3000 extension agents



8 RESEARCH, INNOVATION AND DATA
Strengthen research and innovation, and launch priority digital and data use cases for better decision making and performance management (first wave to include digital subsidy registration and delivery, farmer and SME performance, automated SFR buy / sell needs)



9 SUSTAINABILITY AND CRISIS MANAGEMENT
Actively monitor 2 key food system risks: i. sustainable and climate-smart natural resource management including sustainable irrigation and water basin health, soil quality and land use; and ii. crisis management for pests diseases, climate and global price shocks

BIG4-Food and Nutrition Security Pillar has three critical outcome areas, driven by 15 objectives

Key objectives/drivers by 2022

Major Achievements 2018

Availability & Nutrition



- A** Increase maize production from 40 to 67 million (90kg) bags
- B** Increase rice production from 112,800 to 406,486 metric tons
- C** Increase potato production from 1.2 to 6 million metric tons
- D** Increase meat production from 700,000 to 990,000 metric tons
- E** Increase processed milk production from 630 million to 1 billion litres
- F** Increase fish production from 135,100 to 231,359 metric tons

46 million 90kg bags
128,597 MT
1.5 Million MT
14 feedlots, Insurance
NA
300,000 fingerlings in LN

Affordability



- G** Reduce average post-harvest losses from 20% to 10% by 2022
- H** Increase irrigated land by 255,000 acres through the construction of smallholders water pans and de-silting existing old dams
- I** Reduce value chain inefficiencies by at least 50% by 2022

11 mobile driers, 80 Milk coolers, Aflasafe
2,363 water pans, 3400 acres

Smallholders value addition



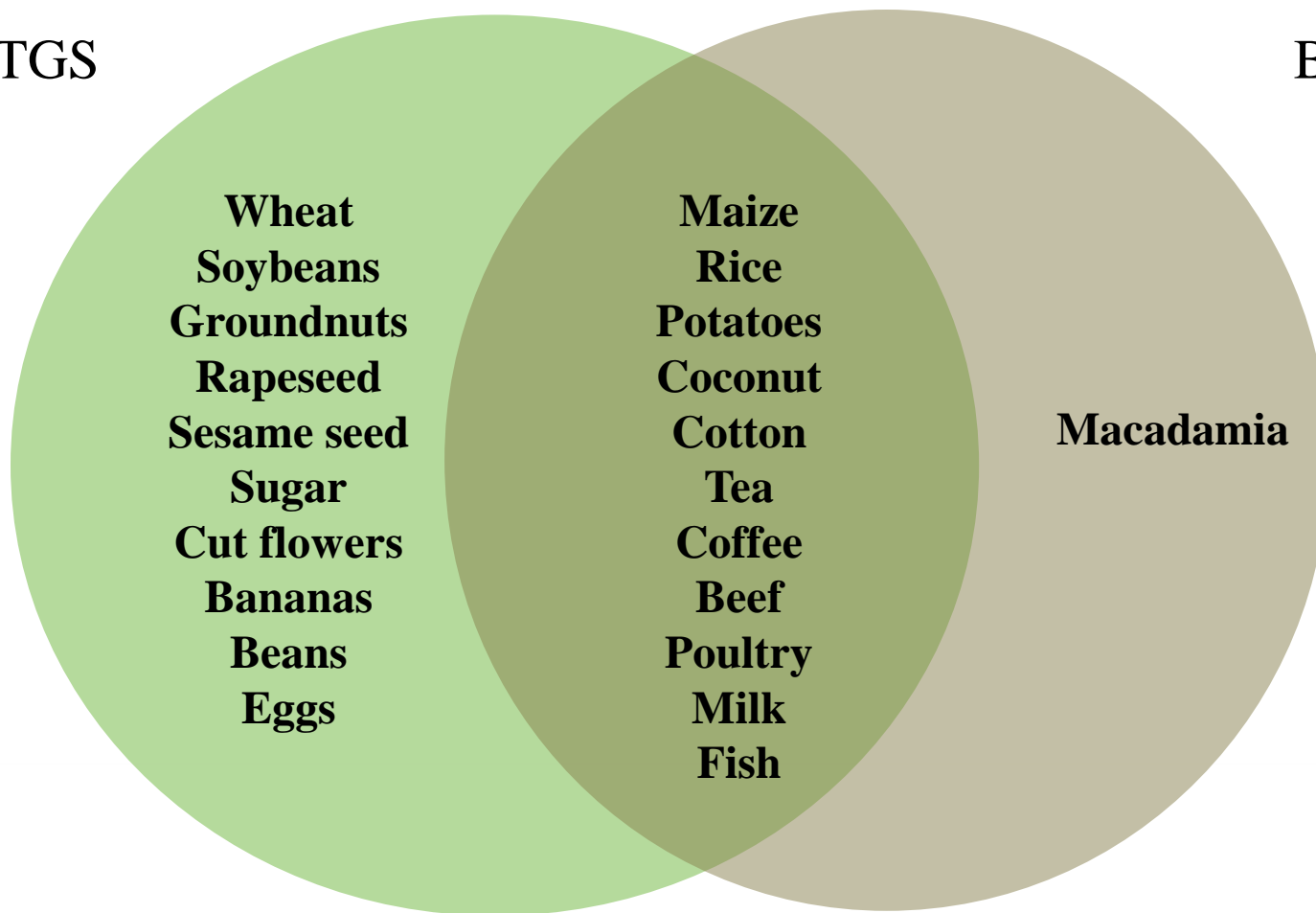
- J** Increase nuts & oil production from 140,958 to 697,221 metric tons
- K** Increase fruit production from 1,207,868 to 1,645,276 metric tons
- L** Increase cotton production from 29,000 bales to 200,000 bales
- M** Increase coffee production from 40,000 to 100,000 metric tons
- N** Increase hides & skins production from 59.6 to 72 million sq. ft.
- O** Increase Pyrethrum production from 300 to 3,000 metric tons
- P** Increase Tea production from 1.2 million to 6 million metric tons

800,000 Seedlings
1.5 M Seedlings
22472 acres
41,375 MT
NA
17,399,000 seedlings
NA

Start from shortlists in existing national initiatives

ASTGS

BIG 4



- Support evidence-based policy development
 - Translate NAIPs into actionable policy and investment recommendations for specific VCs
 - Select a few VCs from those identified in NAIPs for in-depth analysis

- Not re-inventing the wheel but supporting on-going NAIP process
 - Use of new/additional tools to guide a robust VC selection and prioritization

- Support the Government of Kenya
 - Identifying prioritized value chains
 - Narrowing down a set VCs for deeper analysis
 - Aligned with national strategies
 - With potential to sustainably drive inclusive agricultural transformation
 - Assessing the economic costs and benefits of specific policy and investment interventions
 - Developing targeted, industry relevant and affordable recommendations for guiding policy and public investment choices that will drive inclusive agricultural transformation

- ❑ Public and private sector stakeholder engagement right from the start (qualitative VC scans)
 - ❑ Data collection (quantitative VC scans)
 - ❑ Ground-truthing
 - ❑ Data validation
 - ❑ Ranking of VCs using quantitative and qualitative criteria
- ❖ PPVC is a useful framework/approach in identifying and selecting cost-effective, tractable and affordable policy and investment recommendations



Natotela

Webale

Zikomo

Asante

Obrigado

Tatenda

Enkosi

Siyabonga

Merci

Dankie

Thank You



BFAP
DATA
DRIVEN
INSIGHT

