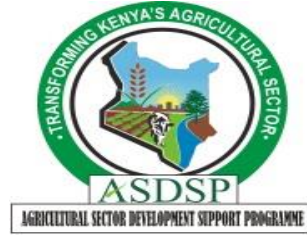




**MINISTRY OF AGRICULTURE**



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# **AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II**

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## **IMPLEMENTATION FRAMEWORK**

**Final Version**  
SEPTEMBER 2017

*ASDSP11 Implementation Framework 2017-2022*

## FOREWORD

The Agricultural Sector Development Support Programme phase II (ASDSP II) was formulated in 2016 to consolidate the gains made in ASDSP I and contribute to the realization of the ideals of the Agricultural Policy. The programme aims at transforming crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security by developing value chains that are environmentally resilient and socially inclusive. Pursuant to this objective, it will address Agricultural Sector transformation through consultation, collaboration and coordination at the national, intergovernmental and county levels.

ASDSP II will be financed by the National and County Governments of Kenya, the Government of Sweden and European Union at a cost of KES 5.692 billion over a period of 5 years starting from December 2017. GoK will further invest about KES 1.9bn in human resource and office accommodation in the Programme which will be implemented in the 47 counties and at the national government level. As a matter of principle, ASDSP II will operate through collaborations and partnerships to achieve four key result areas namely; increased productivity of priority value chains; strengthened entrepreneurial skills of priority value chain actors; improved access to markets by value chain actors and strengthened structures and capacities for consultation, cooperation and coordination in the Agricultural Sector.

ASDSP II will be managed by the National Programme Secretariat (NPS) at the national level and by the County Programme Secretariats (CPSs) at the respective counties. Implementation of the programme will be based on guidelines agreed upon by stakeholder and be monitored by the NPS and CPSs on a semi-annual and quarterly basis respectively. Regular reports will be the key monitoring tools of the programme. The Programme will be harmonized to the Public Procurement and Assets Disposal Act, 2015 and the ASDSP II Finance and Procurement Manual when sourcing for goods and services. Regular internal, semi-annual rolling and annual external audits will be carried out and the reports shared with NPS, CPs, County Agricultural Sector Coordination Committees (CASCCOMs), Joint Agricultural Sector Coordination Committee (JASCCOM) and Sida.

ASDSP II outcome and impact baseline data will be derived from the ASDSP I baseline survey reports, market surveys, technology and risk assessment studies and end-term evaluation findings. A Mid-Term Review of the programme will be conducted in the 2019-2020 Financial Year while the End-Term Evaluation will be carried out 6 months before its conclusion, It is expected that at the end of the Programme in 2022, Kenya will have significantly advanced towards commercialization of agriculture through sustainable value chain development and well-structured institutions for Agricultural Sector consultation, cooperation and coordination.

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## TABLE OF CONTENTS

1. INTRODUCTION.....	8
1.1 Background.....	8
1.2 Agriculture.....	8
1.3 Sector financing.....	9
1.4 Agricultural Sector Development Support Programme I.....	9
1.5 Agricultural Sector Development Support Programme II.....	11
1.6 Agriculture and the Constitution.....	<b>Error! Bookmark not defined.</b>
1.7 Devolution of agricultural functions.....	12
2. PROGRAMME GOVERNANCE AND MANAGEMENT.....	13
2.1 Programme governance.....	15
2.2 National level sector coordination.....	16
2.3 Intergovernmental level sector coordination.....	17
2.4 County level sector coordination.....	19
2.5 Principal ASDSP II management structures.....	20
2.6 Technical Assistance.....	24
2.7 Mentoring of young professionals.....	24
2.8 Value Chain stakeholder forums.....	25
3. STRATEGIC COLLABORATIONS AND PARTNERSHIPS TOWARDS ASDSP II GOALS	
29	
3.1 Collaboration with sector programmes.....	30
3.2 Operational partnerships.....	31
CHAPTER FOUR.....	<b>Error! Bookmark not defined.</b>
4 PROGRAMME FOCUS.....	32
4.1 Outcome 1: Productivity of priority value chains increased.....	32
4.2 Outcome 2: Enhanced entrepreneurship of priority Value Chain Actors.....	39
4.3 Outcome 3: Access to markets by priority VCAs improved.....	42
4.4 Outcome 4: Structures and capacities for consultation and coordination in the sector strengthened:.....	47
CHAPTER FIVE.....	<b>Error! Bookmark not defined.</b>
5.0 PLANNING, MONITORING, EVALUATION AND COMMUNICATION.....	59

5.1 Planning .....	59
5.2 Monitoring and Evaluation.....	63
5.3 Communication .....	68
5.4 Audience analysis information needs .....	69
<i>CHAPTER SIX</i> .....	<b><i>Error! Bookmark not defined.</i></b>
<i>6 FINANCING and FINANCIAL MANAGEMENT</i> .....	71
6.1 Programme financing.....	71
6.2 ASDSP II finance management framework.....	75
6.3 Procurement.....	78
6.4 Audit.....	80
6.5 Management of assets and non-financial resources .....	82
<i>ANNEXES</i> .....	83

## LIST OF TABLES

Table 1: Rating of viable opportunities .....	35
Table 2: Structures for consultation, cooperation and coordination .....	50
Table 3: Programme implementation structures and operational guidelines .....	51
Table 4: Key stakeholders in the Programme and their roles .....	54
Table 5: ASDP II Annual work planning process .....	61
Table 6: ASDSP I Phase out and ASDSP II Phase in .....	62
Table 7: Reporting and feedback timelines.....	67
Table 8: Consolidated Programme cost and financing .....	72
Table 9: Result area annual budget distribution.....	74
Table 10: Programme outputs' budget.....	75

## LIST OF FIGURES

Figure 1: Consultation and cooperation mechanism for the Agricultural Sector .....	<b>Error!</b>
<b>Bookmark not defined.</b>	
Figure 2: Project Monitoring Cycle .....	65
Figure 3: Flow of reports and feedback.....	69
<i>Figure 4: Conceptual framework for communication in ASDSP II.....</i>	<i>70</i>

## LIST OF ANNEXES

Annex 1: Number of structures with operational procedures and guidelines at various levels.....	84
Annex 2: Undertaken by specific milestones (both national & each County governments)	84
Annex 3: Number of structures with operational instruments .....	84
Annex 3a: Inventory of stakeholders participating in coordination .....	85
Annex 3b: Development partners participating in coordination .....	85
Annex 4 Number and type of operational partnership in place.....	86
Annex 5: Percentage level of satisfaction of STH in the participation of coordination.....	86
Annex 6: A sample business plan .....	87
Annex 7: Bankable business plan generic model.....	91
Annex 8: ASDSP II Strategic Plan.....	97
Annex 9: ASDSP 11 annual budget distribution in KES ('000).....	106
Annex 10: ASDSP II Monitoring and Evaluation framework .....	110
Annex 11: ASDSP II targets.....	124
Annex 12: Programme communication framework.....	136
Annex 13: Audience analysis and information needs .....	138

**ABBREVIATIONS/ACRONYMS**

AFA	-	Agriculture and Food Authority
AP	-	Agricultural Policy
ASDS	-	Agricultural Sector Development Strategy
ASDSP	-	Agricultural Sector Development Support Programme
AWP & B	-	Annual Work Plan and Budget
CAADP	-	Comprehensive African Agriculture Development Programme
CASSCOM	-	County Agricultural Sector Steering Committee
CBO	-	Community Based Organization
CPS	-	County Programme Secretariat
CSO	-	Civil Society Organization
DP	-	Development Partner
FBO	-	Faith Based Organization
GDP	-	Gross Domestic Product
IGF-A	-	Intergovernmental Forum for Agriculture
IGRTC	-	Intergovernmental Relations Technical Committee
JASCCM	-	Joint Agricultural Sector Consultation and Cooperation Mechanism
JASSCOM	-	Joint Agricultural Sector Steering Committee
JAS-IGS	-	Joint Agricultural Sector – Intergovernmental Secretariat
JAS-TWG	-	Joint Agricultural Sector – Technical Working Group
KALRO	-	Kenya Agricultural and Livestock Research Organization
MIS	-	Management Information System
M&E	-	Monitoring and Evaluation
NPS	-	National Programme Secretariat
PVC	-	Priority Value Chain
VC	-	Value Chain
VCA	-	Value Chain Actor
VCD	-	Value Chain Development



## CHAPTER ONE

### 1. INTRODUCTION

#### 1.1 Background

Kenya has shown resilient growth over the last 6 years and its economy remains one of the fastest growing in the region. Its economic growth rate improved from 5.6% in 2015 and 5.9% in 2016 and is expected to rise to 6% in 2017<sup>1</sup>. Kenya experienced a strong economic performance in 2015 and has exceeded the average growth for Sub-Saharan Africa countries consistently since 2009. Although significant structural and economic reforms that have contributed to sustained growth in the past decade have been realized, Kenya still faces substantial internal development challenges. These include food and nutrition insecurity, low income levels, low youth employment, inequality and vulnerability of the economy to internal and external shocks.

While Kenya is on the path to economic growth, poverty alleviation remains a challenge; 45.9% of the country's 43 million people and 49.1% of the rural population live below the poverty line of less than USD 1.9 per day and are unable to meet their daily nutritional requirements. The national Gini coefficient estimated at 0.445 reflects a high level of inequality. Youth unemployment estimated at 17.3% is among the highest in the world. Poverty and food insecurity are acute in the country's Arid and Semi-Arid Lands (ASALs) which have been severely affected by recurrent droughts. In addition, there is a serious problem of limited access to financial services among lower income and rural households in Kenya. (WB, Kenya Economic Update, March 2016)

#### 1.2 Agriculture

Agriculture plays a major role in Kenya's economy. It is the largest contributor to Kenya's Gross Domestic Product (GDP) directly contributing about 32.7% to the GDP. This compares favorably with 18% from industry and 49.3% from services. Agriculture accounts for over 65% of Kenya's total exports and provides 18% of formal and 60% of total employment. It contributes 60% of Kenya's income and supports over 80% of the rural population. The crops, livestock and fishery subsectors contribute 23.5%, 7.5% and 1.6% of the national GDP and 72%, 23% and 5% of the Agricultural GDP. The economies of most of Kenya's 47 counties depend on agriculture. A 2015 World Bank Policy Working Paper<sup>6</sup> indicates that the average Agricultural GDP for all the 47 counties was 51% with Mandera accounting for the highest proportion, 94% and Nairobi the lowest at less than 2%.

The Agricultural Sector in Kenya is diverse and complex. The most common and economically important farming systems are the small scale mixed farms comprising of crops, animals and trees and averaging 0.2-3 hectares in size. These farms account for 75 % of the total agricultural output and 70 % of the marketed agricultural produce in the country. Horticulture and industrial crops

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<sup>1</sup> WB, Kenya Economic Update, March 2016

account for 90% of the exports. This, in turn, has significant implications on income generation, food security and poverty reduction efforts in the country. Kenya's agro-ecological diversity enables production of a wide range of temperate, tropical and subtropical products. However, areas with adequate rainfall for crop production is only 16% of the land mass; the remaining 84 % is the Arid and Semi-Arid Lands that have low potential for rain-fed crop production but potential for beef production,. The Agricultural Sector continues to be a key economic and social driver of development in Kenya's Vision 2030 and Sustainable Development Goals (SDGs). The Kenya Vision 2030 recognizes the significance of agriculture towards its goals that aim to achieve an average GDP growth rate of 10% per year up to the year 2030.

The high levels of rural poverty are strongly linked to environmental concerns especially catchment and river bank degradation, deforestation, poor water management, soil erosion, declining soil fertility, land degradation and subdivision of land into unviable sizes. Climate change, which is one of the many challenges experienced by Agricultural Value Chain Actors, also undermines the agricultural resource base and contribute to declining productivity.

### **1.3 Sector financing**

Currently, county budget allocation to the Sector ranges between 3-14%<sup>2</sup> of the total county budgets. Allocations to the agriculture and rural development sector from the National Treasury averaged 5.2% between 2003/2004 and 2011/2012. Currently, total allocation to the Sector including contributions from Development Partners and the private sector which are not factored in the national budget are significant and consequently, allocations may be higher than stated. This notwithstanding, the targeted 10% allocation of the total country budget to the Agricultural Sector in line with the Maputo declaration has not been attained. Total allocations to counties from the National Treasury in the Financial Year 2015/16 amounted to KES 367.44 billion, KES 208.82 (56.8%) was recurrent and KES 168.62 billion (43.2%) was the development budget.

### **1.4 Agricultural Sector Development Support Programme I**

The overall goal of the Agricultural Sector Development Support Programme I (ASDSP I) was contribute to “the transformation of Kenya's Agricultural Sector into an innovative, commercially oriented, competitive and modern industry that would contribute to poverty reduction, improved food security and equity in rural and urban Kenya”. The goal was aligned to the Agricultural Sector Development Strategy (ASDS) and the Comprehensive African Agriculture Development Programme (CAADP) Compact Kenya. The development objective of the Programme was: “Increased and equitable incomes and employment; and food security of the target groups as a result of improved production and productivity in the rural smallholder farm and off-farm sector”. ASDSP I supported two main strategic thrusts of ASDS: increasing productivity, commercialization and

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<sup>2</sup>Commission for Revenue Allocation report 2013/2014

competitiveness of agricultural commodities and enterprises; and developing and managing key factors of production.

The core focus of ASDSP I was to facilitate demand-driven, stakeholder-led and coordinated efforts by public and non-public Sector actors' especially private sector agents to strengthen critical Priority Value Chains (PVCs) of local and national importance. (result area 3). In these efforts, ASDSP I pursued commercial efficiency in the prioritized VCs and ensured that they were environmentally resilient and accessible to poor and vulnerable Value Chain Actors, in particular, the women and youth constituencies, (component 2), and that they contributed towards improved food and nutrition security. Some key milestones realized in gender and social inclusion considerations include: development of gender and social inclusion action plans and growth pathway, ASDSP Gender and social inclusion strategy, Sector Gender Based Violence Strategy (GBVS) and an assessment report on social economic factors determining investment and participation of women and youth in VCD. These will present the first set of data source on how to engage with women and youth in priority Value Chain Development in ASDSP II. ASDSP I also facilitated the establishment of an enabling policy, institutional and financial environment for Value Chain Development (PVCD) by supporting Sector coordination at both levels of government; policy development and harmonization; and alignment of Development Partner support to the Sector, (component 1).

Some notable impacts of ASDSP I included income increases for male headed household (78%) female headed households - 25% and youth headed households 15% as compared to the baseline data. The Programme's other achievements included improvement in food and nutrition security across gender divides with an increase in the overall proportion of households that ate 3 meals per day from 86.1% to 87.4% against a target of 6% per year. The Programme succeeded in increasing yields of priority PPVCs. Specifically there were increases of 31% for banana, 29% for maize, 23% for cow milk, 12.5% for Irish potato and 14% for groundnut against a target of 5% per year between 2014 and 2016.

On farm employment increased from 0.6 employees to 1.8 employees per household which is an increase of 1.2 employees per household. Off-farm employment increased from a baseline of 0.1 employees to 0.5 employees per household. This was an increase of 0.4 employees. More males were employed at 63% than their female counterparts at 36.8%, by household heads in ASDSP I. At the household level, there was a high employment of people under the age of 18 years in off-farm activities. Majority of the employees among the VCAs were youth aged between 18-35 years, (54.1%). Employees between the age 18 and 55 years formed the bulk at 87.4%. The End Term Evaluation findings indicate that labour availability in the Sector was stable and supportive to agricultural value chains.

ASDSP I was also able to: improve Sector coordination and joint programming; strengthened Sector institutions and capacities; improved linkages among key Sector stakeholders; developed a Sector M&E information system and supported development of appropriate Sector policies, strategies and regulations. Specifically ASDSP I was instrumental in strengthening ASDS institutional structures to

improve Sector coordination including the Transformation Initiative (TI) at the National level and the CEC-Caucus, the Agricultural Forum and the County Consultative Forum (CCF) at the county level. TI developed mechanisms for soliciting funds and financing for ASDS coordination and for coordination of programmes and projects across the Sector. ASDSP I steering, coordinating and management structures were established including the National Programme Secretariat and Programme Steering Committee (PSC) at the national level and County Coordination Units (CCUs) and County Steering Committees (CSCs) at the County level. Sector coordination partnership guidelines were developed for both levels of government. A Code of Conduct for Development Partners to enhance mutual accountability was also developed and adhered to.

### **1.5 Agricultural Sector Development Support Programme II**

The Agricultural Sector Development Support Programme II (ASDSP II) follows ASDSP I which concluded in June 2017. ASDSP II is part of the implementation strategy of the Agricultural Policy (AP) for the national and county governments. Although ASDSP II will maintain the overall focus and approach of ASDSP I, its design has been adapted to reflect the current institutional and policy setting in the Sector. It aims to consolidate effective and relevant ASDSP I approaches and results and provide an opportunity to adopt and implement approaches and structures that were not fully realized during ASDSP I. This will ensure that such approaches and structures effectively support the Programme objectives.

In line with the AP, the overall goal of ASDSP II is to contribute to “transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security”. The Programme Purpose is “to Develop Sustainable Priority Value Chains for Improved income, food and nutrition security”.

ASDSP II addresses four key problems that hinder commercialization of agriculture i.e. low productivity along the entire PVC, inadequate entrepreneurial skills along PVCs and among service providers, low access to markets by Value Chain Actors (VCAs) and weak and inadequate structures and capacities for consultation, cooperation and coordination within the Sector.

Unlike ASDSP I, ASDSP II has been designed to be implemented under the devolved system of governance and therefore has to adopt a new approach to service delivery that require significant organizational changes at the two levels of government. Thus, there will be need for modification in approaches to service delivery for the Programme’s interventions to succeed besides deepening the gains made in ASDSP I. For example, ASDSP I’s efforts to pursue social inclusion concerns through the integration of women and youth in value chains were reasonably effective. However, going forward, the following considerations should be looked into:

- i) Gender and social inclusion thematic working groups at the two implementation levels will pursue social inclusion concerns in VCD. ASDSP II will deepen this work by facilitating an assessment of the implementation of the gender and social inclusion action plans and revising them. Besides, continued sensitization and actions

to integrate women and youth in all the segments of the value chain will be necessary.

- ii) A review of Gender and Social Inclusion Strategy (GSIS), Strategic Gender and Social Inclusion Action Plans and county specific Gender and Social Inclusion Action Plans (GSIAP) implemented in ASDSP1 will be done to assess the implementation status and make recommendations on the best ways to integrate GSI within ASDSP II Implementation Frameworks

New inclusions in ASDSP II include provision of grants to support women, youth and service providers. Grants to women and youth will help them find entry points for participation in PVCD while grants to service providers will be used for new technologies or practices and strengthening of business orientation of PVCs. Environmental resilience considerations will be fully integrated and considered as integral to PVCD by emphasizing application of green growth and Climate Smart Agriculture approaches. To strengthen ownership, counties will provide counterpart cash financing for Programme implementation and meet staff and office accommodation costs.

### **1.6 Devolution of agricultural functions**

The Fourth Schedule of the Constitution provides for devolution of specific functions in agriculture to the county governments namely: crop and animal husbandry; livestock sale yards; county abattoirs; plant and animal disease control and fisheries. The National government retains the functions of policy making under Part 1 Section 29 of the Fourth Schedule; establishment of quality standards; capacity building and technical assistance; information management and technology transfer; drought and flood disaster preparedness; conservation of crop, animal and forage genetic resources; research agenda setting and promotion of private sector investment in agriculture. Other functions of the National Government include coordination of livestock agribusiness, value addition and product value chain; development of strategic marketing infrastructure and management of National agricultural training institutions.

Implementation of national policies mainly takes at the county level. The Constitution also allows counties to formulate specific policies and laws. Due to the importance of agriculture to Kenya's economic development and realisation of the Constitutional requirements, a new Agricultural Policy and Agricultural Sector Transformation and Growth (ASTGS) that steer the country's development of the Sector has been formulated. Moreover, County Integrated Development Plans (CIDPs) are also in place that guide sectoral development in the counties. ASDSP II is aligned to these national and county developmental priorities.

## CHAPTER TWO

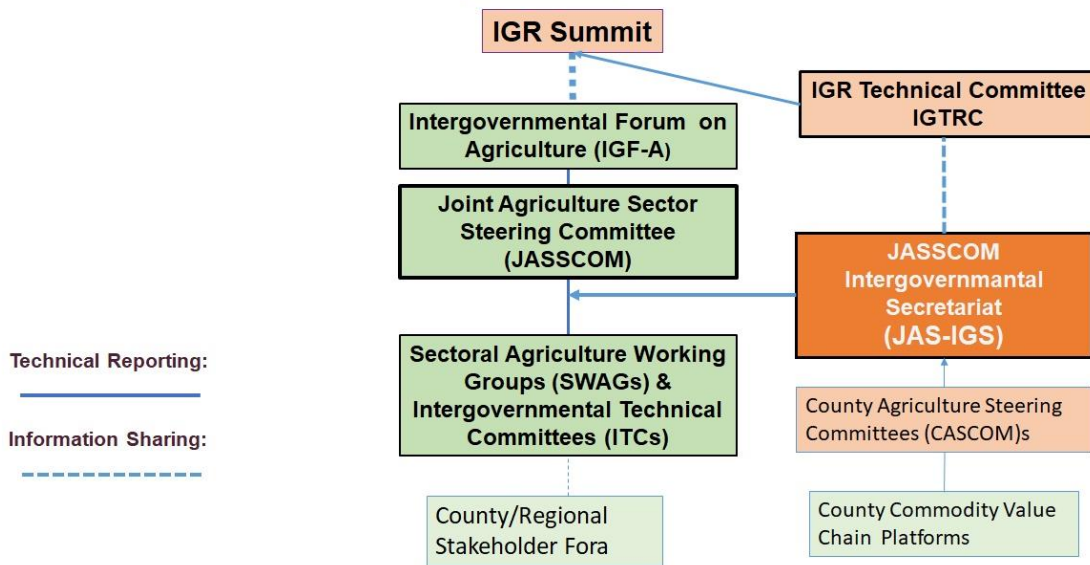
### 2. PROGRAMME GOVERNANCE AND MANAGEMENT

Successful implementation of ASDSP II initiatives will be guided by the established Mechanism for consultation and cooperation in the Agricultural Sector. The Mechanism is composed of three organs viz. Intergovernmental Forum for Agriculture (IGF-A); Joint Agricultural Sector Steering Committee (JASSCOM) and the Joint Agricultural Sectoral Working Groups (JAS-SWAGs). The Joint Agricultural Sector Intergovernmental Secretariat (JAS-IGS) is the operational center of the cooperation and consultation mechanism (Figure 1). When need arises, JASSCOM may establish adhoc Intergovernmental Technical Committees to address immerging issues.

The main purpose of Agricultural Sector consultation and cooperation is to ensure that agriculture contributes to equitable national growth and increased food security through effective implementation of the Agricultural Policy based on the following principles: provision of economically viable, socially equitable and environmentally sustainable use of land for crops, livestock and fisheries; a market oriented and modern technology-driven agricultural economy; promotion of Agricultural Ecological Zone-guided production with improved capacity to predict and respond to shocks; promotion of fair trading practices along the crops, livestock and fishery value chains and utilization of science and indigenous knowledge. Others are: support to and strengthening of the food, health and national security interrelationship; compliance with international standards in development and growth of the crops, livestock and fishery sub-sectors; promotion of stable Public–Private–Partnerships for development of the crops, livestock and fishery sub-sectors and effective and sustainable agricultural development.



## JOINT AGRICULTURE SECTOR CONSULTATION AND COOPERATION STEERING COMMITTEE (JASSCOM) STRUCTURE



**Figure 1: Consultation and cooperation mechanism for the Agricultural Sector (adapted from JASCCM, 2017)**

### 2.1 Programme governance

ASDSP II has prioritized implementation of the Agricultural Policy through its focus on Agricultural Sector coordination and environmentally resilient Value Chain Development that take into account social inclusion. The Programme therefore is essential for the achievement of Agricultural Sector goals both at the national and county government levels. Its governance, management and consultation system encompass many entities that are closely interlinked to the Sector consultation and cooperation Mechanism.

The operational instruments for JASCOM also apply to ASDSP II. They include the new Agricultural Sector Transformation and Growth Strategy that follows its predecessor, the ASDS 2010-20; a new sector planning framework to replace the Sector Mid-term Investment Plan framework (MTIP); a Sector performance monitoring and evaluation system currently under development; an intergovernmental communications strategy and a partnership Code of Conduct.

ASDSP II governance can be conceptualized as a 3-tier approach encompassing the national, intergovernmental and county levels. The first tier, national level governance, is still under consideration but JASSCOM is expected to play a role in effective horizontal coordination among national ministries and other agencies contributing towards agricultural and rural development. The second tier involves the Joint Agricultural Sector Consultation and Cooperation Mechanism (JASCCM), an intergovernmental coordination framework agreed upon by the National and county



governments and witnessed by Development Partners and Private Sector actors. A Description Document (DD) to implement JASCCM outlines details on institutional coordination structures, guiding policy instruments, implementation arrangements and mechanisms for mutual accountability among coordination partners. ASDSP II will benefit from JASCCM and its DD framework which will guide its support to intergovernmental coordination. The third tier on county coordination will mainly rely on County Programme Secretariats, County Steering Committees and relevant structures instituted at that level. Details of these 3 tiers are discussed below.

## **2.2 National level sector coordination**

Agricultural Sector coordination in Kenya has evolved over time. Lessons from these initiatives are well documented and will guide the establishment and operations of appropriate institutions at the National level. The JASCCM Description Document has proposed 2 coordination institutions to be considered by the MoALF&I leadership. They include the Ministerial Executive Committee (MEC) and the National Agriculture Transformation Council (NATC).

**MoALF&I Executive Committee (MEC):** The objective of MEC is to enhance internal consultation between the five State Departments with a view to providing the most appropriate institutions for effective and efficient delivery of its mandate. It comprises of the Cabinet Secretary and the three Principal Secretaries and may co-opt other members as deemed necessary to inform decisions pertaining to specific agenda items. MEC meets on a regular basis to guide policy across the state departments, provide strategic direction, inform institutional reviews and consult wider stakeholder bodies including AFA, KALRO, the private sector, civil society and development partners. MEC may also have a secretariat to enable it link with JAS-IGS.

**National Agriculture Transformation Council (NATC) :** NATC is an institution for horizontal relationship between the MoALF&I and other sector ministries of Industrialization and Enterprise Development, Ministry of Devolution and Planning; Ministry of Water and Irrigation; Ministry of Environment and Natural Resources and Ministry of Lands, Housing and Urban development. It is proposed that a NATC secretariat may be established at the MoALF&I, the Presidency or Deputy President's office to follow up on the delivery of the new Agriculture Transformation and Growth Strategy and the Agriculture Sector Master Plan. JASCOM will explore options to support NATC. Part of JASCOM support will emanate from joint ASDSP II and stakeholder funding as long as that is agreed in the strategic plan and annual work plans.

ASDSP II together with other stakeholders will support operational instruments for established national institutions. This support includes mobilization of stakeholder participation and formalization of partnerships on Programme implementation; formulation and rolling out of relevant policies, strategies and plans that relate to the Programme.

Details of the support to consultation are discussed in outcome 4 while some will be agreed based on Annex 1 to 5 of data tools or as prescribed in the adapted JASCOM – Description Document

and strategic plans of the two national level institutions. Annexed data gathering tools provide for at least: i) five milestones for development of each institutional structure, a total of 10 for NATC and MEC; ii) 6-10 milestones for development of an operational instrument, a total of 20 for MEC and NATC; iii) four or more categories of stakeholders to partner in coordination with at least four partners in each category; iv) more than three types of partnerships formed and v) three categories of policies, strategies and plans each with at least three policy instruments.

### **2.3 Intergovernmental level sector coordination**

JASCCM provides details on: Intergovernmental (IG) structures for consultation and cooperation; mechanisms for rolling out the consultations; appropriate tools to use and funding for these initiatives. The IG coordination structures aligned to ASDSP II support provisions are provided in the sections that follow.

#### **a) Inter-governmental Forum for Agriculture (IGF-A)**

Co-chaired by both the Cabinet Secretary (CS) MoALF&I and the Chair of Council of Governors (CoG), this is the highest level of consultation among the national, county and Sector stakeholders. It will be convened by the Cabinet Secretary – MoALF&I and will meet annually to provide guidance on: policy development and implementation; joint review of Sector performance; critical emerging sectoral issues; oversight on CAADP implementation and mechanisms for Sector coordination and resolution of disputes. IGF is organized in consultation with the Intergovernmental Relations Technical Committee (IGRTC).

#### **Membership of IGF-A is as follows:**

- Cabinet Secretary of the National Ministry responsible for Agriculture, Livestock and Fisheries as Co-chairperson;
- The Chair Council of Governors as Co-chairperson;
- Governors representing all Counties;
- Chairpersons of the Standing Committees on matters relating to agriculture, livestock and fisheries in the Senate and the National Assembly;
- Principal Secretaries and Directors responsible for matters relating to agriculture, livestock and fisheries;
- County Executive Committee Members responsible for matters relating to the Agricultural Sector;
- County Chief Officers responsible for matters relating to the Agriculture Sector and
- Representatives of the County Assemblies Forum.

ASDSP II will join other coordination partners in supporting IGF annual meetings through the Joint Agricultural Sector Intergovernmental Secretariat (JAS-IGS). Such annual meetings will have to be budgeted for by JAS-IGS through its annual work plans that will be discussed with and approved by stakeholders. Similarly, ASDSP II County Programme Secretariats (CPSs) will join other partner

stakeholders to facilitate their members to attend the annual IGF meetings in accordance with their work plans.

#### **b) Joint Agriculture Sector Steering Committee.**

The Joint Agriculture Sector Steering Committee (JASCCOM) is an apex technical committee composed of the executives from the national and county governments including the five Principal Secretaries of MoALF&I State Departments, the Chair CoG Agriculture and Lands Committee, the Chair and Secretary of the CEC Caucus and on ad hoc basis, the co-chairs of the proposed JAS Sectoral Working Groups (JAS-SWAGs). Other key stakeholder representatives and resource persons will be co-opted in JASCCOM meetings on a need-to basis. JASCCOM will be co-chaired by the CS - MoALF&I and the Chairman of Agriculture Committee CoG.

In line with the requirements of the Paris Declaration on aid effectiveness, JASCCOM will provide overall policy and strategic direction to ASDSP II and approve its budgets, work plans, other operational instruments and disbursement of funds. It will link the Programme to other programmes and the wider Sector; oversee ASDSP II implementation and ensure adherence of the national and county governments to the GoK-Sida Cooperation Agreement and the Programme's Financial Agreement. ASDSP II NPS will jointly together with other coordination partners support JASCCOM's quarterly meetings and follow up activities in accordance with the approved annual workplans as guided by the 5 year Strategic Plan.

#### **c) Joint Agriculture Sector Intergovernmental Secretariat (JAS-IGS)**

JAS-IGS is the Intergovernmental Secretariat for the Agricultural Sector set up by JASCCM. It comprises 7 professionals who provide secretariat functions by: following up on JASCCOM resolutions; organizing IGF – A and JASCCOM meetings; formulating and circulating Sector reports; working closely with the M&E node and its affiliated intergovernmental programmes and convening Sector Working Groups.

ASDSP II will join other partners in supporting: milestones for establishment of JAS-IGS and its affiliate structures; JAS-IGS implementation instruments; partnership instruments and facilitating their budgets for meetings as guided by strategic plans, annual workplans and Annexes 1 to 4.

#### **d) Joint Agricultural Sector – Technical/Sectoral Working Groups**

The Joint Agricultural Sector – Technical Working Groups (JAS-SWAGs) are technical groupings appointed by JASCCOM and will be assigned, from time to time, to work on concurrent themes identified by both levels of government. Each JAS-TWG will comprise of 5 executive members from either levels of government with identified members from either level acting as co-chair. JAS-TWGs may also co-opt experts identified on the basis of the tabled agenda. They will facilitate coordination on identified themes including identification of technical issues of concern; monitor and evaluate Sectoral plans and policies; develop intergovernmental reports and share Sector reports received; provide capacity building to counties; follow up on resolutions of JASCCOM as guided by

JAS-IGS and formulate joint implementation plans on thematic areas. JAS-IGS will provide secretariat function to the JAS- SWAGs.

Four JAS- SWAGs have been established by JASSCOM in the following areas:

- Policy, legislation and standards
- Monitoring, evaluation and communication
- Research, extension and capacity building
- Inputs, joint programmes and projects.

ASDSP II will together with other partners support quarterly and ad hoc JAS-TWGs meetings indirectly through JAS-IGS' strategic plan, annual workplans and budgets as long as such operational instruments are approved for by JASSCOM. Facilitation of identified members from counties to participate in the TWGs will also be co-financed by ASDSP II CPS and other partners at the counties as guided by annexes 3a and 3b on data tools.

## 2.4 County level sector coordination

**Sector coordination at the Council of Governors:** At this umbrella level, the County Governments have the *Council of Governors Agriculture Committee (CoGAC)* as the highest institution representing their interests on matters of agriculture. The CoG Secretariat supports the functions of the committee. Working closely with the CoGAC is the *County Executive Committee Members (CECM) Caucus*, a platform for county ministers of agriculture to engage among themselves on issues of cooperation and consultation and also engage with the national government under the CoGAC. While recognizing that it is the county's prerogative to form additional coordination structures, JAS Description Document recommends adherence to some minimum standards for cooperation and consultation. This is aimed at having effective tools for Sector management and enhancing the relationship between counties and the intergovernmental set up as well as counties and national government.

**Sector coordination at the county:** ASDSP II links with the CoG structures through its support to JASSCOM where such institutions are represented. However for the purpose of the Programme, the *County Programme Steering Committees (CPSCs)* helped steer Sector activities in ASDSP I. In ASDSP Phase II, will be replaced by County Agricultural Steering Committee (CASCOS) that will undertake an oversight role in implementation of the programme.

**Composition of CASCOS:** CASCOS' membership will comprise a maximum of fifteen people and will include county sector directors or their duly appointed representatives; heads of relevant county-based para-statal organizations; private sector representatives including chairmen of county Value Chain Platforms and county-based training and research institutions. Representatives of Sector special interest groups and other specialized organizations will be invited to CASCOS meetings whenever the agenda of the day so demand.

In order to enable full adoption of the Programme's demand-driven, stakeholder-led and partnership-based intervention strategy at the county level, it is important to ensure appropriate representation of VCD stakeholders and support agents who mainly comprise of private sector and other non-state actors in the Programme governance systems that are usually dominated by state agents. Membership of CASCOMs will therefore include civil society and other PVC stakeholder agents.

**Role of CASCOMs:** This body will oversee governance of the Programme at the county level. Like JASSCOM at the national level, they will provide policy direction to the Programme and oversee its implementation in respective counties. The CASCOMs will coordinate monitoring and evaluation of Programme activities and where necessary, suggest corrective interventions towards realization of the Programme's goals on regular basis.

Additionally, CASCOMs will provide guidance on integration of Sector programmes in realization of ASDSP II objectives and enable linkage between the Programme at the county level and national level on the one hand and among counties on the other hand. Thus, after appropriate and due analysis, the Committees will recommend to the respective County Executive Committee Member responsible for agriculture, the need for inter-county collaboration for specific commodity value chain development. At a more operational level, CASCOMs will review and approve Programme annual work plans, budgets and financial reports and provide guidance on the management of Programme resources.

ASDSP II will join other partners in supporting milestones towards development of other county coordination structures; instruments for their operation; stakeholder mobilisation in support of the structures and partnerships for county coordination. The targets for this support will be arrived at in consultation with counties and as guided by annexes 1 and 2 provided such support is contained in the approved annual workplans.

## **2.5 Principal ASDSP II management structures**

The principal ASDSP II management structures are the National Programme Management Secretariat (NPS) at the national level and the County Programme Secretariat (CPS), formerly County Coordination Units (CCUs) at the county level.

### **a) National Programme Secretariat**

The National Programme Secretariat (NPS) will be the top-most coordination structure of ASDSP II at the national level. At that level, it will be responsible for management of the Programme taking cognizance of the MOALF&I context but also reaching out to other Sector stakeholders. NPS will work in close liaison with JAS-TWGs/SWAGs; the narrow Sector Departments, research, training and extension agencies; other Sector programmes and a wide range of partners including NGOs; the private sector and cooperatives; CSOs, CBOs and FBOs.

NPS will be headed by a Coordinator who will be responsible for the day-to-day management of the Programme. The Coordinator will report to the Principal Secretary – State Department of Agriculture and conduct regular consultations with other Sector decision-making organs at both levels of government to ensure that the operations of the Programme are fully aligned to overall Sector priorities. A part from the Coordinator, NPS will comprise of technical specialists sourced from Sector state agencies.

In addition to the coordinator, NPS will have five specialized areas: Management; Value Chain Development, Policy and Institutional Capacity Development, M&E and Communication, and Business Development. These units will be supported by accounts and procurement, and ICT units to be responsible for all accounting, procurement, data management and communication functions. NPS Specialists will facilitate and coordinate collaboration between the Programme and a wide range of sector stakeholders participating in implementation of the Programme at the national level. Additionally they will be responsible for internal Programme management, quality assurance and technical advice in their respective technical fields. This arrangement reflects the changed roles and responsibilities of programme implementation occasioned by devolution of agricultural services. NPS role is therefore mainly that of providing strategic direction to the programme and providing high level technical knowledge in the respective areas.

The NPS will perform the following core functions:

- **Coordination, liaison and linkages:** NPS will liaise with relevant technical sector stakeholders in order to solicit their contributions towards implementation of the Programme in a coordinated and efficient manner. NPS, in collaboration with JAS-IGS, will facilitate consultative linkages between national level Sector institutions and the County Programme Secretariats.
- **Programme management:** NPS will be responsible for the development and review of the Programme planning, budgeting, financial management, implementation, and reporting and M&E frameworks. This will be done in consultation with the county governments and relevant Sector stakeholders at all levels. NPS will spearhead planning and budgeting of Programme interventions in collaboration with MOALF&I State Departments, Sector Programmes and Development Partners who choose to integrate their interventions in the ASDSP II implementation framework at the national level. NPS will also be responsible for preparation of regular national specific Programme progress and financial reports; management of Programme resources and the compilation of overall programme technical and financial reports.
- **Implementation support and quality assurance:** NPS Specialists supported by Technical Advisors will provide direct advisory support to CPSs and other actors engaged in implementation of ASDSP II supported activities. This will include preparation of technical guidelines for Priority Value Chain (PVC) development. Other than direct field support from NPS Specialists, NPS will establish mechanisms for capacity building CPSs on, for instance,

entrepreneurship; PVC environmental resilience; integration of women and youth in VCD; data collection, management and analysis; formulation and or dissemination of policies and laws and emerging technologies in the Sector. Such capacities are integral to increasing PVC productivity.

- The ASDSP Specialist Networks will continue to work towards strengthening horizontal and vertical linkages within the ASDSP II implementation structure. Each network will comprise of the relevant specialist staff from NPS and CPSs and will meet half yearly with additional ad hoc meetings whenever necessary. These networks will act as platforms for: capacity building of members; exchange of experiences and technical information and as regards programme result areas, pursuit of specific PVC initiatives that require collaboration across county borders.
- **Coordination of national VCD initiatives:** In light of the fact that ASDSP II is primarily organized along county administrative lines, NPS has a critical technical and coordinating role as a driver of VCD initiatives that involve regional, national and international actors. These include a critical “bridging” role aimed at facilitating interaction and exchange between PVC development stakeholders at various levels to ensure that decisions made by county level PVC stakeholders are informed by national level priorities and vice-versa. Thus, this bridging function forms a significant part of the NPS and CPS networking and coordination responsibility. The key responsibility of NPS as regards VC linkages is to facilitate formation PVC associations at national level that will not only be involved in policy dialogue but also a source of service providers for the VCPs.

#### **b) County Programme Secretariats**

The County Programme Secretariats (CPSs) will be led by a County Coordinator and will, in addition to administrative support staff, have the following five specialists: Management; Value Chain Development; Policy and Institutional Capacity Development; M&E and Communication, and Business Development. These specialists will also handle Natural Resource Management, research, extension, grant management, gender, data management and communication. All staff members of CPSs will be employees of respective counties.

The primary role of CPSs will be coordination of ASDSP II implementation at the county level. In this regard, they will support establishment of platforms for local stakeholder-led identification and implementation of value chains. They will further support coordination and networking necessary to secure technical and financial backing towards stakeholder-led PVC development initiatives from relevant programmes and other VCD support agents. CPSs will have the convening power to engage existing programmes; Development Partners; NGOs; the private sector; CSOs and other non-state actors on matters that promote ASDSP II initiatives. They will report to the respective County Steering Committees and for purposes of Monitoring and Evaluation, share quarterly and annual Programme reports with NPS.

The core functions of CPSs may be summarized as follows:

**Networking, liaison and coordination:** CPSs will perform coordinating and convening roles involving government agencies, existing programmes, NGOs and national level VCD support agents. This will ensure that technical and financial support towards local capacity building and PVC development activities prioritized by county PVC stakeholder fora are provided in a harmonized and coordinated manner based on the principle of comparative advantage i.e. support will be provided by the agent that is best positioned and resourced to do so. Thus CPSs will require continuous networks and liaison with PVC support agents.

As a matter of principle, technical and financial support provided directly by the Programme will be complementary, i.e. only provided to the extent that the involved stakeholders cannot resolve identified PVC bottlenecks by themselves or if other VCD support agents do not provide the required support. Any direct Programme support will be defined and delivered collaboratively, i.e. in cooperation with other support agents and stakeholders. This coordinating and supporting role of the CPSs will have to ensure that support from state agencies sought by local PVC stakeholder bodies are included in county planning and where necessary, reflected in county regulations.

**Operational partnerships:** Further to their support functions, CPSs will enter into operational partnership agreements with PVC stakeholders who agree to address specific PVC gaps or assist VCD agents in provision of technical and financial support towards identified stakeholder-led efforts. Such partners may include local GoK agencies; research or training institutions; Semi-Autonomous Government Agencies (SAGAs); existing programmes; private sector or farmer organizations and large scale NGOs. As further discussed in section 3.2, the agreements may take the form of partnership-based MoUs or service delivery contracts with or without financial contributions from the Programme or other parties to the agreements.

**ASDSP II management and coordination:** CPSs will be the secretariats for CASCOMs. They will be responsible for county-level programme planning, financial management, procurement, implementation supervision, reporting and M&E. CPSs will further provide management oversight of operational partnership agreements that involve technical or financial support from ASDSP II.

**Support to local PVC stakeholders:** CPSs will support Prioritized Value Chain Platforms (PVCs) in the strengthening of local PVC stakeholder groups in collaboration with partners. CPSs will apply inclusive and consultative approach that ensures broad consensus among relevant stakeholders. In particular, the consultative process will be with respect to the mandates, incorporation, operational procedures and membership of the county level PVC stakeholder forums. Out of necessity, this will entail consultations with all relevant PVC stakeholder constituencies and VCD support agents.

CPSs will also support local PVC stakeholder forums to address challenges in PVCs and define, plan and implement corresponding VCD action by PVC stakeholder forums or clusters of individual members. This support should be demand-driven. The exact scope and nature of the support will be determined on the basis of priorities expressed by the specific PVC stakeholders. Emphasis will be on ensuring that local PVC gaps are addressed primarily through cooperation among PVC



stakeholders themselves in the context of VCGs and VCF with support from government agencies, existing programmes, national agencies and ASDSP II.

## **2.6 Technical Assistance**

The ASDSP I made progress in a number of areas but experienced challenges in some. The Mid Term and End Term Evaluations identified the following challenges among others: inadequate business skills among VCAs; misunderstanding of policy domestication; challenges with devolution of agricultural functions and associated capacity development; inadequate application of climate change adaptation and mitigation measures; limited environmental resilience and social inclusion in VCD and some unmet needs of bilateral engagements such as inadequate utilisation of credit guarantee scheme. Coupled with the changed context in ASDSP II implementation where counties are expected to fully integrate the functions previously performed by ASDSP I County coordination Units, ASDSP II will require support of Technical Assistants (TAs).

The scope of technical assistance will be to provide support towards realizing the goal of ASDSP II at both levels of government i.e. to address challenges hindering commercialisation of agriculture. The challenges to commercialization include: low productivity along the entire value chains; inadequate entrepreneurial skills among Value Chain actors and service providers; low access to markets by Value Chain Actors; weak structures and capacities for consultation and coordination within the Sector at both levels of government and inadequate efforts to mainstream gender equity, social inclusion and environmental resilience.

As a general requirement, TAs will be expected to understand their Terms of Reference and develop an inception report and other reports as specified. ToR for TAs will detail specific tasks to be undertaken; duration of their assignment; their competence, experience and professional requirements as well as working environment.

## **2.7 Mentoring of young professionals**

GoK has developed an internship policy to enable young professionals gain experience while working in institutions of relevance. Similarly the Government of Sweden (GoS) provides for a window where their young professional can gain work experience abroad. Since ASDSP II is a bilateral Programme between the two countries, the policy instruments of the two countries converge on the need to expose the young professionals to active work environment and to deepen bilateral relations.

The Programme will engage young professionals at three levels. First, it will advertise for two bilateral associates, one each from Sweden and Kenya to work for 2 years towards alleviating specified challenges as described in section 2.3 above. A ToR has been developed specifying the

requirements of such tasks such as age, duration of the assignment, professional and other competences. In addition, the Programme will continue to engage interns to work on specific areas of interest. At least 2 interns will be considered per year under NPS and one each for select counties at a time. The third level is where college students pursuing courses relevant to the Programme will be engaged from time to time to work with the Programme. It is however advisable that no ASDSP II station gets more than two students at any one time so as to provide adequate supervision for the interns. Guidelines developed by human resource departments will orient engagements with interns.

## **2.8 Value Chain stakeholder forums**

At the operational level, ASDSP II will feature a number of value chain stakeholder forums including the National Value Chain Forum; County based Value Chain Forums; County based Value Chain Platforms; Commodity Cooperatives; Companies and Common Interest Groups. These forums will constitute the core implementing drivers of VCD in the context of the Programme. Women and youth segments of the value chain actors will be represented in these forums.

### **a) National and Regional Value Chain Forums**

**The National Value Chain Forum (NVCF)** will bring together representatives of all Value Chains and affiliated stakeholders in a forum at the national level. The NVCF will meet once every 2 years and will be convened by JASCCOM. At the Forum, representatives including women and youth will meet government officials and other national and international actors to discuss issues that affect VCD at a broad level. These may include Sector services; production inputs; policy, environmental or social concerns such as water, energy, research, extension, taxation, climate change and gender. The National Agricultural Value Chain Forum will be supported by the Programme and partners through JASCCOM.

**Regional Value Chain Forum (RVCF):** CPSs, regional and county level stakeholders may support the formation of Regional Value Chain Forums to address strategic trans-county boundary VCD. The RVCF will be working groups targeting a particular commodity or commodities of strategic importance to a region or nationally but among the prioritized value chains. The RVCF will establish contacts between county level PVC stakeholders and expert service providers at the national level. This may include national level organizations such as government agencies; Development Partners, NGOs and CSOs with relevant experience in specified PVCs. RVCF will be held annually in the month of August and will serve as a broad stakeholder forum for discussion of PVC matters and development strategies. The Regional meetings which will be convened by the Chair CECM Caucus for Agriculture or his/her appointed representative.

### **b) County Value Chain Forums**

County Value Chain Forums (CVCF) are county stakeholder meetings where different value chains are represented by a wide spectrum of VCAs and VCD support agents. The Forums create transparency and broad-based support for prioritized value chain challenges at the county level.

Membership of the forum will comprise county leadership responsible for agricultural matters, service providers, civil society, the media, academia, VCP representatives and VCP representatives. Considerations of women and youth in Value Chain Development at this level will be addressed by representation from organizations working directly or indirectly with women and youth in agricultural value chain development. Members will elect a chair from among themselves who will be the convener of the preparatory meetings and the VCF supported by stakeholders. It is important that the chairperson's role is defined in an operational tool and the period of operation specified, preferably a maximum of two years. The meeting may also choose to identify key speakers to provide keynote speeches necessary to drive discussions. Since they hold a wide range of membership, VCF provide suitable avenues for engagement of government and private sector agencies, NGOs and other non-state actors on matters of VCD. ASDSP II together with other partners will support CVCF meetings which shall be held annually.

### **c) Value Chain Platforms**

Value Chain Platforms are stakeholder bodies which bring together Value Chain Groups with a similar commodity focus at the county level. Thus, there will be three (3) VCPs in every county, one for each value chain. Different stakeholders along the value chain will be represented in the platforms. A Value Chain Platform comprises of representatives from producers, researchers, microfinance institutions, transporters, processors, traders, wholesalers, retailer and non- state actors among others. A VCP may include stakeholders involved in the production of related commodities, e.g. stakeholders engaged in beef production and rangeland development may both be members of one VCP as they have common interests. Women and youthful segments of the value chain actors will be represented in these platforms either by the organizations that directly work with them or by the respective gender categories representatives.

VCPs will be supported by County Programme Secretariats and County Steering Committees and other PVC support agents. VCPs may cover more than one county or even become national in scope depending upon the needs and objectives of stakeholders who created the platform.

Since VCPs constitute a stakeholder body for the value chain in its entirety, they are well positioned as a platform for negotiating and promoting efficiencies that require broader agreement and cooperation along the value chain e.g. taxation across counties, quality standards and addressing disputes between various value chain constituencies. While this may be difficult to achieve because the interests of various actors may compete or conflict, VCPs ultimately contribute towards enhancing PVC efficiencies. This may involve efficient input supply; transport and storage as well as market access. These meetings will be convened by the chair of the platform in consultation with the CPS and other stakeholders in the first month of each quarter.

#### **The core functions of the VCPs include:**

**PVC gap identification, goal setting and dispute mediation:** VCPs will play a pivotal role in the identification of efficiency gaps along the PVC and definition of common goals and strategies for

PVC development. This may be achieved through conducting of facilitated VCP workshops and more focused consultations between stakeholders affected by specific PVC gaps. Value chain action plans developed under ASDSP I be the starting point. Managed sensibly, these processes will contribute to mediation of disputes and identification of common interests among PVC stakeholders represented in a VCF. Collaborative PVC gap analysis and goal setting may also contribute to ensuring that PVCs are environmentally resilient and socially inclusive.

**Prioritization and implementation of activities addressing PVC gaps:** Whenever possible, actions to address PVC efficiency gaps including innovations and grants should be prioritized, implemented and financed as a collaborative effort among directly affected PVC stakeholders. If this is not possible, VCPs should identify support agents e.g. county governments, existing programmes including ASDSP II, SAGAs and NGOs best placed to provide required support and seek their assistance.

**Platform for knowledge transfer and provision of embedded services:** VCPs will play a crucial role in facilitating transfer of knowledge among stakeholders in a PVC and thus contribute to effective knowledge upgrading along the chain. Well managed VCPs may provide platforms for lead firms to supply embedded services to PVC actors that ensure consistent quality and quantity of end products. Such services may include farm inputs, credit working capital, aggregation of produce and its transportation to markets.

#### **d) Value Chain Groups**

Value Chain Groups (VCGs) are horizontal PVC stakeholder bodies with a common interest in one or more nodes of the specific value chain i.e. input providers, producers, traders, processing entities and consumers. They may choose to join others to form a bigger group along the chain and therefore strengthen their collective capacities as regards aggregation of produce and joint sales; joint marketing at better costs and better advocacy on matters of their interest. VCGs are important platforms for engaging CIGs belonging to youth and women to participate in value chain activities.

A VCG can be informal, locally or nationally registered or even may choose to be a cooperative or a limited liability company. Such entities may be more viable if they comprise members across several counties or if county level VCGs are linked up in multi-county VCG associations or federations. VCGs hold the potential of addressing key Programme objectives and therefore should receive commensurate attention.

Where possible, VCGs will be supported in collaboration with any existing programmes that may be supporting them. Where such VCGs do not exist, their formation will be facilitated by the CPSs through PVC Forum meetings or similar stakeholder meetings with PVC constituencies who may have an interest in forming VCGs. The PVC Working Groups, Programme Specialist Networks and NPS will assist this process in cases where VCGs comprise members from several counties.

**The core functions of VCGs include:**

- **PVC gap analysis:** VCGs play an important role as a platform in assessing the challenges of commercializing the VC at all levels of the node. The assessment concludes with identification of opportunities and innovations that respective node actors will undertake to commercialize the VC. In addition, the VCGs assesses the technical and other capacities of member CIGs and individual members to be entrepreneurs. This will inform the channeling of capacity building assistance from VCD support programmes including ASDSP II.
- **Representation of VCG member interests:** Building on their collective strength, VCGs may engage in bargaining on their members behalf with other segments in the value chains and other actors whose actions affect their economic and other interests. This would include advocacy at the county level to ensure that members' interests are reflected in local planning and service delivery.
- **Linking of members to other actors in the value chain and support providers:** This may include linking producers with processors, exporters or large marketing outlets within or outside the county; linking members to their peers in other counties and linking members to service and support providers such as extension service providers, training providers, development programmes or CSO agents.
- **Knowledge transfer and member capacity building:** Based on the above gap analysis, VCGS may partner with other service providers to develop a curriculum and undertake capacity-building in areas of weaknesses. They may also package information and devise mechanisms of transferring it to relevant audiences.
- **Monitor and report progress of individual VCAs achievements:** Considering that VCGs are composed of members belonging to a VC node, they are the best suited to keep data of all members and members undertakings of making business from developing the VC. Besides documenting and reporting progress to CPS through VCPs, the VCGs will evaluate their successes.

#### e) Value Chain Working Groups

Value Chain Working Groups (VC-WGs) are ad hoc bodies formed across counties depending on emerging issues and comprise of PVC officers from counties with similar VC priorities as well as other county and national level resource persons. In order to enhance efficiencies and avoid overlapping investments and establishment of competing stakeholder bodies in any particular locality, ASDSP II to the extent possible will support existing PVC stakeholder bodies where such bodies already exist and cooperate with existing VCD programmes and support agents who provide assistance to the bodies.

### **3. STRATEGIC COLLABORATIONS AND PARTNERSHIPS TOWARDS ASDSP II GOALS**

The design of ASDSP II, is such that collaboration is understood to mean working with others to deliver on the programme purpose while partnership is a condition that guides collaboration. Considering that Agricultural functions require technical inputs beyond the narrow sector (State Departments of Agriculture, Livestock and Fisheries) at both levels of government, there will be need for collaboration and partnerships towards the implementation of the programme interventions.

The counties have different configurations of the sector but none is actually inclusive in terms of total approach to agricultural functions that entail production factors like land, water and associated aspects of environment and climate change. Consequent to this recognition and in conjunction with ASDSP's status as a nation-wide Programme, it is expressly necessary for ASDSP II to cultivate functional collaborations with relevant programmes, sectors and other actors and engage in operational partnerships towards realization of its objectives.

ASDSP's collaborations and partnership-based interventions have important implications for the Programme's operational approaches and success. As a matter of principle, ASDSP II will always operate through collaborations and partnerships. In operational terms, this has the following implications among others:

- Primary ASDSP II tools, including the five-year strategic plan and subsequent work plans, will be subjected to review by key sector stakeholders to ensure a wider buy-in.
- Implementation of activities to realize the outputs defined in the ASDSP II logical framework should always be pursued collaboratively. In practice, this implies that ASDSP II interventions will be defined in consultation with relevant actors and as a matter of principle; ASDSP II will base its interventions on best practices or implementation frameworks. In this context, ASDSP II will apply the principle of comparative advantage. Thus interventions will be led by partners in the best position to do so; other relevant development agents will provide support in line with agreed labour division. Hence, ASDSP II will only engage in "direct implementation" when other relevant development agents agree that the Programme is best suited to do so or no other development actors are present or interested in pursuing the concerned intervention.
- The collaborative and partnership-based implementation approach means that the depth and focus of ASDSP II VCD support to a particular county will not only be determined by the socio-economic and PVC specific characteristics of the county but also the extent to which other VCD support agents are present in the county.
- The Programme will apply a consultative and flexible approach to work-planning and budgeting in order to ensure that the definition and implementation of individual interventions are pursued in a collaborative and partnership-based manner. Such collaborations and partnerships will be based on agreed division of labour and financial inputs between ASDSP II and other

development agents at the national as well as county levels. The Programme's work planning and budgeting approach is discussed in Chapter 5.

### **3.1 Collaboration with sector programmes**

The Agricultural Sector is characterized by the presence of many programmes which are bound by existing agreements and procedures. Therefore, ASDSP II will pursue functional collaborations with these programmes in an attempt to achieve its objectives. In essence, ASDSP II and targeted programmes will determine the exact scope, focus and depth of the collaborations based on analysis of possible mutual successes in the context of respective programme foci, agreements and procedures.

Since ASDSP II is anchored on the Agricultural Policy, collaboration initiatives at the national and county government levels will be guided by principles of the Policy. In practice therefore, ASDSP II will prioritize collaborations that favour commercialization of the agricultural sector through environmentally resilient and socially inclusive VCD alongside those that support sector coordination. In addition, collaborations that stimulate the creation of a constructive economic environment that contributes to stabilization, resilience and economic empowerment of women and youth in VCD will be highly favoured.

#### **The following criteria will govern the Programme's collaboration initiatives:**

- Commitment to maximizing combined programme results and impact through efficient, effective and relevant coordinated action. Coordination must be result-oriented, demand-driven and aimed at creating concrete synergies.
- Mutual respect for peers' efforts and level of readiness for collaboration.
- Willingness to share programme roles, responsibilities, focus areas and geographical coverage based on an analysis of respective comparative strengths and weaknesses and existing commitments on the part of participating programmes.
- Transparency and accountability.
- Ability and inclination to allocate resources (time, human, physical resources and finances) to cover actual costs of collaboration targets.

To be effective and sustainable, collaboration efforts must be driven by the self-interest of programmes to maximize efficiencies and outreach in delivery of programme outputs. In this regard, ASDSP II, interested sector programmes, involved national or county government implementing agencies and development partners will formalize agreed collaborations through MoUs or structured agreements and contracts.

### 3.2 Operational partnerships

ASDSP II will enter into operational partnerships with a wide range of government agencies, SAGAs, academia, farmer organizations, research and extension institutions, private sector organizations and individual private sector and business agents, NGOs and existing development programmes for implementation of agreed interventions. The principles for governing the partnerships are discussed in chapter 4.

The following strategic directions will apply to the Programme's operational partnerships:

- ASDSP II will enter into partnerships with organizations confirmed to be active in Value Chain Development. Efforts to ensure environmental resilience and social inclusion in PVC and sector coordination will be emphasized.
- For each partnership, ASDSP II will apply partnering tools which are tailor-made to ensure efficient operations of the partnership and which support the mandates of participating partners.
- ASDSP II will facilitate and foster coordination and networking between different categories of partners so as to create synergies and enhance quality and outreach of PVC and other relevant services.
- Innovations and extended concepts will be used as one of the ways to strengthen partnerships in the realization of the four result areas.

ASDSP II partnerships will be guided by the following criteria.

Partnerships will:

- Be need-based and flexible, with areas of cooperation determined on the basis of mutual interest and respect for the mandate and comparative advantage of each party.
- Adhere to principles of sustainability, good governance, social and economic equity including gender responsiveness.
- Support networking, consultations, coordination and transparency to enhance efficiencies and avoid duplication.
- Support efficiency and effectiveness of value chain research in terms of knowledge and technology transfer, extension, regulation and service delivery recognizing that both government and non-state organizations play a role in these areas based on their respective comparative advantages.

Specific partnering approaches, tools and mechanisms are provided in the ASDSP Partnership Guidelines which includes templates for MoUs and specific technical partnering tools e.g. guidelines for advocacy, collaboration and network support.



## 4. PROGRAMME FOCUS

The objective of ASDSP II is “*to develop sustainable priority value chains for improved income, food and nutrition security*”. This will be achieved through: i) increased productivity of priority value chains; (ii) strengthened entrepreneurial skills of VCAs (iii) improved access to markets by VCAs and (iv) strengthened structures and capacities for consultation, cooperation and coordination in the Agricultural Sector. This will be done in a manner that leads to economic empowerment for women and youth in value chain development, resilience and climate smart VCD, commercial and pull-focused VCD, partnership based investment and implementation and effective Sector transformation at the national, intergovernmental, cross-county and county levels.

### 4.1 Outcome 1: Productivity of priority value chains increased

Low productivity along the whole value chain has been identified as one of the key barriers to commercialization of the Agricultural Sector affecting VCAs at all levels. This has led to low production levels and irregular supply of traded value chain commodities for industry among many others resulting in low incomes. Productivity is an economic measure of output per unit of input- it is generally expressed as a ratio of revenue over inputs.

Increased productivity of PVCs will be achieved through the following interventions (outputs):

- Enhancing capacity of existing service providers on identified opportunities;
- Supporting value chain innovations with high prospects for empowering women and youth and service providers for increased productivity
- Strengthening environmental resilience and climate smart agriculture (CSA) for increased productivity among prioritized value chains.

The achievement of this outcome (productivity of priority VC increased) will be measured by assessing two indicators, 1) percentage (%) increase in utilization of service providers by value chain actors, and 2) percentage (%) reduction in postproduction losses. This means that baselines of these two indicators have to be established during the first three months of the programme by the respective counties. To facilitate measure of change as a result of these interventions, surveys and or data on the achievement of these indicators will be undertaken periodically. This data of achievement should be taken at least three times during the programme period, at start, midterm and end term.

As a first step on gathering data regarding this result area, information regarding the number of VCAs and by gender in each VC node has to be established. Where no node organization has been

established or are not functional, CPSs should undertake this activity as a priority during the first months of programme implementation.

#### **4.1.1 Output objective 1.1: Enhancing the capacity of existing service providers on identified opportunities**

Inadequate or inappropriate services have been identified as some of the causes of low agricultural productivity. Hence to improve productivity, ASDSP II will support activities that build capacity of existing public or private sector service providers on identified opportunities along priority value chains. Service providers are individuals or organizations offering supportive services for VCD..

The measure of achievement of the activities that lead to realization of this output objective will be, 1) the number of opportunities identified per value chain by VCAs and 2) the number of service providers trained on the identified opportunities. It is therefore a requirement that each county establishes targets that the programme will achieve during the programme period and use this strategic figure to establish annual targets that will inform the budget needs for the realization of the set target.

Existing service providers (SPs) will be identified and inventorized by CPS in the first 3 months of the Programme. Following review of action plans done under ASDSP I and further analysis of respective value chains by VCAs and SPs, productivity gaps or opportunities will be isolated and possible interventions suggested. Where existing SPs are found to lack expertise in responding to identified gaps, CPS will, in collaboration with partners and if necessary supported by NPS, build their capacity on identified opportunities appropriately.. Examples of these opportunities may include: group dynamics to enhance cohesiveness and effectiveness of groups; pre-and post-production management, production and use of certified seedlings, seeds and livestock breeds; range development and management; pest and disease control, produce and product marketing and produce aggregation and certification. Others are produce handling, packaging and transportation; value addition and processing technologies; entrepreneurship; business management and record keeping; financial management, ICT, GIS and early warning systems; social inclusion, environmental resilience and climate change adaptation. However, opportunities will be county and VC specific.

NPS in collaboration with the relevant stakeholders will build the capacity of county government service providers in policy, legislation and strategy development and policy domestication and implementation which was found to be inadequate in ASDSP I.

#### ***Output Indicator 1.1.1: Number of opportunities identified per value chain***

A number of gaps or inadequacies hinder optimal productivity within Value Chains (VCs) and can be identified through analysis of respective VCs. Solutions, approaches or interventions to address these gaps constitute viable Value Chain opportunities. Thus, an opportunity is an opening in a value chain that when addressed results in raising the productivity at the node as well as the entire value

chain. VCGs in consultation with VCPs and VCAs and supported by CPS will identify viable opportunities along VC nodes. An important reference point for this identification will be the Strategic Integrated Value Chain Action Plan (SIVCAP) value chain action plans developed during ASDSP II. Opportunities that have high prospects for rallying participation of women and youth in VCD and improving VC environmental resilience will be prioritized. The Programme will aim at a minimum of three viable opportunities at each VC node.

To be viable, an opportunity (Annex 1) must:

- Be able to efficiently increase productivity of the VC at each node;
- Stimulate women and youth economic empowerment;
- Demonstrate environmental resilience and
- Advance commercialization<sup>3</sup> of agriculture or the VC.

Each county will identify at least 15 viable opportunities per value chain. In total, at least 45 opportunities will be identified per county along the three prioritized VCs. It is expected that opportunities which will be identified may vary from VC to VC and from county to county depending on prevailing circumstances that impact VCs positively or negatively.

Identification of opportunities will be carried out in the first 3 months of implementation and will be included as targets in the County Programme Strategic Plan. This means if three opportunities are the envisaged achievement per node, annual targets must therefore be greater than three. During the Programme implementation period, each county will conduct a gap analysis annually before annual work plans are written to identify further opportunities if any.

### ***Rating of viable opportunities***

The tool for rating viable opportunities in VCs is illustrated in Table 1. Through the tool, viable opportunities will be evaluated based on their potential to increase productivity of prioritized VCs; stimulate women and youth economic empowerment; improve environmental resilience of the Value Chain and enhance commercialization of the VC. Each parameter in the tool will be rated up to a maximum score indicated in Table 1. The total score will be interpreted as low, moderate or high level of commercialization of the VC which is the ultimate goal of the Programme. ASDSP II will prioritize opportunities with high prospects for commercialization of VCs but may also consider others that meet at least one of the listed criteria and address the rest of the criteria through implementation of other opportunities in the VC. “For example, in the fisheries VC if after gap analysis VC stakeholders identify one gap to be low production of fish, they may propose **cage**

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<sup>3</sup> Commercialization of Agriculture is defined as the process of transiting agricultural production from subsistence level (with under 25% marketable surplus) to business level (producers who have more than 50% marketable surplus). Producers mainly target markets and aim to meet different needs of customers. The overall goal of commercialization is profit maximization. (FAO, 1989)

**culture** and **on-farm feed formulation** as opportunities at the production node. These opportunities would then be subjected to the rating tool among other opportunities identified along the VC”.

**Table 1: Rating of viable opportunities**

VC.....	Score criteria and % score				Total Viability Score, maximum score - 100%
VC node.....	Increase in productivity, maximum score - 60 %  (Increase in Gross margins per VC node)	Environmental resilience, maximum score 10% (adaptation to adverse climatic and environmental changes)	Prospects for women & youth economic empowerment, maximum score - 25%	Others (specify) 5%	
Identified opportunity					
Opportunity 1					
Opportunity 2					
Opportunity 3					

**Key:** <30% - low level of commercialization; 31-70%: moderate level of commercialization; ≥ 71% - high level of commercialization.

***Output Indicator 1.1.2: Number of service providers trained on identified opportunities per value chain by gender***

VCGs and VCPs (VCAs) will be facilitated by CPS to identify service providers (SPs) whose capacity to support capacity building on the identified opportunities will be developed for VCD. Where necessary, CPS will facilitate capacity assessment of SPs to identify their training needs. The identified needs will be documented to inform the development of training guidelines specific to areas of capacity deficiency while training of target SPs will be included in the strategic plan of the county to guide annual work planning. Each county will identify 1-2 SPs at each Value Chain node; thus, at least 5-10 SPs will be identified in every VC per county taking into account gender balance. This will translate to 15-30 SPs per county in view of the 3 prioritized VCs. Identification and training of SPs will be carried out within the first year. To facilitate measurement of achievements on this indicator, counties shall establish strategic target (total for 5 years) and this target will inform the annual targets during annual activity and budget planning process.

#### **4.1.2 Output objective 1.2: Supporting Value chain Innovations**

In the context of ASDSP II, innovations will be technologies or practices that have not been used by VCAs in that specific value chain and area but have the potential of increasing productivity or efficiency of a priority Value Chain. For example, Artificial Insemination may be an innovation in parts of the country where it has not been used before. Further examples of innovations include: minimum tillage agriculture, embryo transfer, fish cage culture, tissue culture bananas, hydroponics, solar powered drip irrigation, solar powered vegetable drying, commodity banking and contract farming. Preferably innovations should have a short recovery period on investment; a high rate of returns and be inexpensive to increase wider adoption and adaptation by women and youth value chain actors. The measure of achievement of the activities that lead to realization of this output will be, 1) the number and type of value chain innovations on identified opportunities promoted; 2) the number of value chain innovations on identified opportunities implemented; and 3) the number of VCAs taking up innovations on identified opportunities. The strategic targets for these indicators shall be developed during the first three months of the programme and will inform annual targets.

The main activities regarding supporting innovations will be the identification of the promising and appropriate innovations that will enhance productivity at each value chain node, screening the identified innovations to conclude that they meet the criteria for support and lastly rolling out the innovations by putting in place the needed support to implement the innovations.

Innovations may come from research institutions, service providers and Value Chain Actors including the women and youth among other sources. To facilitate constant cross learning and adaptation, value chain actors and service providers will participate in tours and visits, relevant to their Value Chains. The print and electronic media will be other platforms where VCAs can gain knowledge on innovations.

##### ***Output indicator 1.2.1: Number and types of Value Chain innovations in identified opportunities promoted***

ASDSP II will support identification and screening of innovative ideas, practices and technologies that have high potential for increasing productivity. These innovations should also have high prospects for women and youth empowerment in the Value Chains development. VCGs will be supported to identify and prioritize viable innovations at each value chain node within the first 6 months of the programme. This will be done concurrently when VCGs are reviewing their opportunities that lead to increased productivity through the process of VCD gap analysis.

- Facilitate VCPSs to take stock and document all the identified innovations on identified opportunities at production and market level (per node)

- VCPs document innovations on market and production promoted per VC and per node and across the entire VC
- SPs provide documentation of promoted innovations
- CPSs continuously monitor identification of innovations and document promoted innovations
- CPS take stock and document innovations that have been identified and promoted and have potential for women and youth empowerment

***Output indicator 1.2.2: Number of innovations in identified opportunities implemented***

CPS will vet the identified innovations using the developed criteria (Table 1) and provide the required support for implementation of the innovations. CPS will incorporate prioritized value chain innovations in their annual activity work plans and periodically monitor their implementation supported by VCPs. Equally, NPS will monitor implementation of innovations during the semi-annual Programme monitoring activities. At the Programme Mid-Term and during the End-Term Evaluation, evaluators will assess and determine the number and types of value chain innovations implemented.

- Induct VCGs and VCPs on assessing implementation of innovations
- Facilitate VCGs and VCPs document innovations implemented on production and market per node and across the entire VC
- SPs provide documentation of implemented innovations
- CPSs continuously monitor implementation and document innovations implemented
- NPS compile reports from counties and document innovations implemented
- Operationalize youth and women innovation fund (grant)

**4.1.3 Output objective 1.3 Enhancing Climate Smart Agriculture and Green Growth interventions, practices and technologies**

In ASDSP II, environmental resilience means the capacity of VCs to withstand unfavorable weather conditions as a result of climate change through application of appropriate practices, technologies or ideas that do no harm to the environment. Environmental degradation and climate change are serious problems that impact negatively on the productivity of value chains. In ASDSP I, many of the VCs were unable to meet their production and commercialization targets due to environmental and climate change factors.

The measure of achievement of the activities that lead to realization of this output will be the number and type of Climate Smart Agriculture (CSA) and Green Growth (GG) technologies promoted; the number and type of CSA and GG technologies in use and the number of VCAs using

climate smart technologies by gender. The strategic targets for these indicators will be developed during the first three months of the Programme and will inform annual targets. Main activities to achieve this output will include taking inventory of potential CSA and GG technologies for each VC node; screening those that are appropriate to give anticipated results and rolling them out through provision of needed support to have the VCAs adopt the technologies.

The screening of CSA technologies will consider three major attributes: climate change adaptation capacity - 40%, suitability to the environment or no harm to the environment - 45% and possible climate mitigation co-benefits e.g. reduced emission of Green House Gases -15% to qualify as a green growth support process that champions environmental resilience.

### ***Output indicator 1.3.1: Number of CSA and GG approaches and technologies promoted***

ASDSP II intends to increase productivity along PVCs by, among other interventions, strengthening environmental resilience in VCD. Key environmental factors that influence VCD include water availability; land use practices and integrity of the land; energy use; crop and livestock production systems. Climate change effects expressed as rainfall and temperature variations increase the impact of adverse practices on the environment resulting to low productivity of value chains. ASDSP II will apply Climate Smart Agriculture (CSA) and Green Growth (GG) technologies as measures towards increasing value chain productivity and achieving commercialization of agriculture.

The Programme will promote CSA and GG technologies through processes that will involve inventorization, assessment and flagging out the identified technologies. During the initial 6 months of the Programme, CPS in collaboration with partners and in consultation with NPS will reconstitute the ASDSP I Environmental Thematic Working Groups into effective and relevant Climate Smart Agriculture Thematic Working Groups (CSATWG) with abilities to champion the roll out of Green Growth and environmental resilient processes in support of Value Chain Development. The CSATWG will review the capacities of VCAs on environmental resilience and CSA in order to establish gaps. The CSATWG will work with VCAs to identify suitable CSA technologies to address climate change and environmental resilience challenges affecting Value Chain Development. One important way to do this will be through revisiting the environmental resilience action plans which were integrated into the value chain action plans. This will help in identifying possible options or opportunities for addressing the gaps.

Some of the CSA technologies that may be promoted in various value chains include: climate change adaptation measures with mitigation co-benefits such as conservation agriculture; use of drought tolerant crops and pastures; water conservation and management; integrated soil fertility management; range management; agro forestry; climate information and eco-promotion; clean energy management and coping mechanisms for floods, famine and forage scarcity. Further, entrenching value chain resilience against environmental and climate change shocks in planning tools will be a priority.

The CPS in collaboration with relevant partners will implement strategies for joint early warning systems and disaster preparedness alongside monitoring and evaluating integration of CSA and GG technologies in VCD by determining the number and type of CSA and GG technologies promoted and used.

***Output indicator 1.3.2: Number and type of CSA and GG technologies in use***

In order to identify CSA technologies, VCPs with the support of CPS will reconstitute the ASDSP I Environmental Thematic Working Groups into all-inclusive county *Climate Smart Agriculture Thematic Working Groups* which will build on ASDSP II supported thematic groups with adequate representation from all categories of stakeholders. CSA-Working Groups will inventorize and assess CSA technologies in use by VCAs at each value chain node and review progress in their application every year. Where capacity gaps in technology application is noted, the CSA-Working Group will identify service providers to address them. CSA-Working Group will provide information to CPS on the number and type of CSA technologies in use by VCAs at every value chain node. CSA technologies will be specified in ASDSP II implementation monthly, quarterly and annual reports prepared by CPS. The reports will be available for monitoring and evaluation of the Programme.

***Output indicator 1.3.3: Number of VCAs using CSA and GG approaches and technologies by gender***

Climate Smart Agriculture Working Groups in every county will inventorize VCAs using CSA technologies taking into consideration their gender. The inventories will be updated every month and will form part of the Programme quarterly reports prepared by CPS. In order to boost the number of VCAs using CSA technologies by gender, CPS will partner with stakeholder categories including Civil Society Organizations, Faith Based Organizations and NGOs that will enhance advocacy and improve outreach.

CSA-Working Groups will interpret and communicate climate information data to VCAs in the most preferred languages. These working groups will continue to improve the Participatory Scenario Planning (PSP) initiative and application of suitability maps started under ASDSP I. This is expected to increase adoption and will be done by sourcing climate forecasts from the regional Meteorological Department; interpreting the forecasts for VCAs; packaging adaptation options based on the forecasts and emerging environmental risks and communicating such options to VCAs and other stakeholders; making follow ups to monitor adoption and usefulness of the adaptation options and reviewing recommendations or options based on feedback from users.

**4.2 Outcome objective 2: Enhanced entrepreneurship of priority Value Chain Actors**

The government and development partners have spent considerable resources building the productive capacity of VCAs through skills development, research and technology transfer. In spite of this initiative, inadequate or lack of entrepreneurial skills has been found to be a key factor that



still inhibits commercialization of agriculture. Inadequate entrepreneurial skills in agriculture mainly arise due to lack of a “business mind-set” among VCAs especially at the lower level of the VC coupled with limited access to information and shortage of competent business development service providers. It is a challenge that cuts across women, men and youth although the levels of education and culture are also factors that influence the understanding of business development concepts.

ASDSP II aims to facilitate a change in mind-set by ensuring that its financial support to VCD interventions is perceived as ‘investments’. Thus VC analysis, planning and interventions will be based on thorough market analysis and business planning that increase income geared towards commercialization. This is expected to strengthen entrepreneurial skills of VCAs. This outcome will be monitored through two indicators: 1) increase in number of value chain actors implementing viable business plans by gender and 2) increase in number and diversity of business plans implemented.

#### **4.2.1 Output objective 2.1: Entrepreneurial skills of priority value chain actors strengthened**

Entrepreneurship is the capacity and willingness to develop, organise and manage a business taking into account possible risks in order to make a profit. It is about identifying business opportunities and resources needed. The business opportunity could be value addition to the value chain produce for better marketing and profits. This requires planning, organisation and employment of entrepreneurial skills which was found to be inadequate among VCAs in ASDSP I. Entrepreneurial skills can also be described as practical capacities required by an entrepreneur to thrive in a business venture. Among them is the ability to get focused, plan, organize and communicate the business idea effectively.

To achieve this, the Programme’s main activities will include: identifying opportunities for VCAs at every node on the value chain (this will be accomplished in outcome 1); taking inventory of available service providers; assessing their competency in business skills development and ability to impart the same to VCAs, assessment will be based on an established criteria outlined in the “Guidelines for enhancing entrepreneurial skills”. The identified service providers will be trained on the required skills following which they will train VCAs at each node. The measure of entrepreneurial skills will be: 1) number of service providers trained on entrepreneurial skills; 2) number of VCAs with viable Business Plans and 3) number of Business Plans implemented. The strategic targets for these indicators shall be developed during the first three months of the Programme and will inform annual targets.

#### ***Output indicator 2.1: Number of Service Providers trained on entrepreneurial skills***

Supported by the NPS and CPS, other value chain development programmes and County Programme Steering Committees, VCPs will take lead in identifying and mapping service providers

in their respective counties within the SIVCAPs process. The service providers will be drawn from VCPs, government and private sector, and NGOs with entrepreneurial skills relevant to priority value chains. An analysis of every value chain will be carried out by VCAs at each node to determine entrepreneurship gaps which will inform the necessary training to be provided to service providers. An important resource in this assessment will be the value chain action plans (SIVCAPs) generated under ASDSP II.

VCPs and CPSs will consider several aspects while targeting partnerships for capacity building service providers in entrepreneurship: similarity of interests in prioritized VCs; commitment to deliver effective training and make follow ups; experience in imparting entrepreneurial skills; ability to co-finance or fund trainings; gender inclusiveness and appreciation for devolved functions. These interventions are expected to improve the business orientation of priority value chains. VCGs will make reports to CPS regarding the number of SPs trained on entrepreneurial skills in their Value Chains; they will also monitor application of entrepreneurial skills in their Value Chains. It is necessary that the service providers not only train on the development of business plans but also be capable of a hands-on follow up and backstopping during implementation of the plans.

- VCGs and VCPS take stock of existing entrepreneurial SPS and document per node and VC
- CPS make an assessment of the capacity gaps using a criteria developed
- CPS develop a criteria for supporting SPs training
- CPSs identify competent trainer/institution who then develops a training curriculum for entrepreneurial service providers and trains on the identified gaps
- SPs document VCAs trained
- VCPs document service providers trained as well as VCAs trained by SPs
- CPS facilitates and monitor training SPSs as well as VCAs and report on progress

### ***Output indicator 2.2: Number of VCAs with viable business plans***

Business plans are essential roadmaps for business entities. A viable business plan must be focused in terms of the business idea under consideration, its objectives and goals to be achieved by VCAs. It should be easily implementable and clearly demonstrate Gross Margins (GMs) of a business opportunity. When need arises, it should be adjustable to accommodate new trends and expectations. Two types of business plans are anticipated, simple and comprehensive business plans. Simple business plans will be those that show GMs of the opportunity undertaken over a defined period. They will entail analysis of all the costs (capital investment and running) and outputs so as to calculate if the VCA is making a net income. The comprehensive business plan will be detailed, in addition to GMs; it will include information on the vision, objectives, business model description and implementation plan and product promotion. A template for both types of business plans shall be developed during the first three months of the Programme by respective thematic groups in the counties.

While developing their business plans, VCAs will need to: define their business goals and growth prospects; describe items or services to be marketed; identify potential markets; devise a marketing strategy; estimate profit and state management approaches to be adopted and possible operational plans including financial resources and other necessary inputs (Annexes 6 and 7). To build on the gains of ASDSP I, NPS will support the County Programme Secretariats and VCPs to audit some existing business plans in order to establish their viability.

### ***Output indicator 2.3: Number of business plans implemented***

The main investment of the Programme will be linking the service provider to VCAs. The service provider will build the capacity of VCAs in business planning. It is expected that viable business plans developed after capacity building VCAs will be implemented by them. Experience shows that follow up and coaching on the business plans may be as important as the training of VCAs and development of the business plan. The VCGs of the VCAs trained by service providers will therefore put in place mechanisms to follow up on individual business plans while service providers will be expected to follow up on higher level business plans. It will be the responsibility of VCGs to make follow ups on implementation of viable business plans by their members and make quarterly reports on the same to CPS. Successful implementation of viable business plans is expected to result in higher incomes.

### **4.3 Outcome objective 3: Access to markets by priority VCAs improved**

The objective here is to improve access to markets by Value Chain Actors. This will be achieved through three intervention strategies: 1) improving market access linkages for priority VCAs; 2) improving access to market information by VCAs and 3) improving access to financial services by VCAs. The realization of these interventions will be monitored by comparing targets and achievements on: 1) increase in number of VCAs accessing markets by gender, 2) % increase in number of market segments, and 3) % increase in handling capacity of the market segments.

There is need for every county to establish baselines on these three indicators during the first three months of the programme. To facilitate the measure of changes brought about by interventions, surveys and or data on the achievements should be taken periodically. This data on achievements should be taken at least three times during the programme period, at start, midterm and end term.

In order to transform agriculture into a commercially viable and modern enterprise, markets will be placed at the center of all production, processing and product development. In addressing market access needs, the Programme will take stock of recommendations on market access from market studies and surveys that have previously been carried out. Additionally, VC analyses undertaken under ASDSP I including those undertaken by VCPs will provide the basis for identifying institutional, financial, legal and physical barriers to equitable market access. The imposition of levies

across counties at roadblocks is one such barrier that hinders movement of agricultural products to urban markets and reduces their price competitiveness locally and internationally.

Special attention will be accorded to issues confronting women, youth, and vulnerable groups. Lessons learnt from ASDSP I on market access will provide a basis for determining the right approaches which will be incorporated into updated Action Plans. The Programme will support the development of a marketing system for VCAs. Where gaps exist, new studies on marketing and market access will be conducted.

Most of Kenya's agricultural products are facing stiff competition in the local, regional and global markets due to high cost of production, inefficient infrastructural services, non-compliance with local and international standards and trade barriers. Inadequate value addition and use of obsolete equipment and machinery in bulking, milling and processing of agricultural produce make the price of the final products uncompetitive in the market. ASDSP II will, through partnerships, promote adoption of modern processing and value addition technologies as one way to increase demand for agricultural produce. .

#### **4.3.1 Output objective 3.1: Improving market access linkages for priority VCAs**

Market access linkages increase commercial viability of VCs by facilitating trade at each node of the chains. The output from one level of the chain may be the input at the next level. At all the VC nodes, there are limited market access linkages due to disorganized groups that would otherwise ease activities of the next node in the chain. ASDSP II will support stakeholder-led initiatives in identifying market access opportunities and possible linkages. The main activities to be undertaken to realize this output is the inventorization of VCA groups, inventorization of the different types of market linkages and helping develop market linkage instruments. This will be measured by the number of VCA groups aggregated and the number of market linkage instruments signed and operational. Counties should establish strategic targets on each of these indicators that will subsequently be used for annual planning targets.

Based on priorities established by VCFs and VCPs in collaboration with VCD support partners, the County Programme Secretariats will coordinate training of VCAs by SPs in market access with emphasis on input supply, production; processing and value addition; product development; packaging; labeling; branding; standards and grades; certification; health and public safety and marketing.

The County Programme Secretariats will support incorporation of stakeholder identified market related infrastructural needs into the county development planning agenda and to secure funding for such investments through PPPs with support from NPS. These actions will mainly address the "hardware" requirements relating to market infrastructure including rural access roads, electricity

supply and other clean energy sources, sanitation, adequate clean water, physical markets, warehousing, cooling warehouses and refrigerated trucks. Additionally, SPs will encourage conformity to sanitary and phyto-sanitary requirements. NPS and relevant structures at the national level will, on the other hand, advocate for: improvement and maintenance of trunk roads by the National Government and regulation of roadblocks through gazette notices in order to eliminate illegal taxation paid in the form of bribes by transporters.

In order to enhance profitability of agricultural commodities and products, the Programme will support strengthening of formal marketing groups to cushion them from inefficient and exploitative intermediary linkages to markets. The SPs will coordinate improvement of governance within marketing groups and emphasize private sector involvement in all nodes of the VCs. The Programme will support Value Chain Organizations to enter into supplier agreements with agro industries and SMEs that are linked to agribusiness and market development.

The National Government will, through the support of the Programme, link VCAs to initiatives under the National Industrial Transformation Programme (NITP) such as Export Processing Zones (EPZs), Special Economic Zones (SEZs) and Ease of Doing Business to enable them enjoy available export market opportunities for their products. Other linkages with institutions and initiatives like the Export Promotion Council (EPC), Brand Kenya and Buy Kenya Build Kenya will be supported. The Programme will also support innovative approaches in creating and enhancing market linkages in order to widen the scope and efficiency in market access linkages. This will include the use of virtual linkages through ICT and other web-based linkages such as e-marketing.

### ***Output indicator 3.1.1: Number of VCA groups aggregated***

Marketing is the most important reason for the formation of agricultural groups and accounts for over 37% of groups formed. Aggregation of VCA groups entails merging of small unviable VCA groupings into formal and viable entities that can ride on economies of scale and thus become more market-oriented and sustainable. Aggregation may take the form of VC node specific associations, primary commodity co-operatives and county or cross county co-operative unions or an apex body at the national level. Evidence of aggregation includes registration certificates to ensure legal status for continuity and sustainability.

Groups that are dealing with similar value chains or commodities across the counties within the same agro-ecological zone will be encouraged to merge into strong and viable marketing entities. VCPs will determine the viability of VCA groups using an economic viability assessment tool. The Programme will support formation of producer marketing organizations or strengthening of existing ones to achieve sustainable market supplies and ease product certification and traceability.

In the first and second year of the Programme, CPS will encourage existing VCGs to aggregate into viable economic groupings to enhance their bargaining power, market competitiveness and sustained market supply. This will involve taking stock of all the groupings that have been formed around

prioritized value chains in each of the counties. An assessment of their current status and market orientation will be undertaken by the CPS with the support of partners and NPS.

***Output indicator 3.1.2: Number of market linkage instruments signed and operational***

Market linkages enhance trade within the counties, across the counties, regionally and internationally. Market linkage instruments include MoUs, contracts, Joint Ventures and franchising. VCGs will determine their marketing needs and inventorize potential market outlets for their products per node. Guided by CPS and VCPs, VCGs will identify suitable instruments and engage relevant trading partners by way of signing one of them. ASDSP II will support the national government to improve cross-border agricultural trade with neighboring countries through existing trade agreements in the Regional trading blocs such as the EAC and COMESA. CPS will promote contract farming among VCAs to improve market access.

**4.3.2 Output objective 3.2: Improving access to market information by VCAs**

Access to marketing information is critical for the sustainability of most VC groups whose main objective of coming together is marketing. Access to markets is constrained by lack of market information especially information on what the market demands in terms of commodities, volumes, quality and timeliness. Currently there are several governmental and non-governmental organizations charged with collection and collation of agricultural market information but coordination of these institutions is minimal leading to conflicting market signals. The main activities that will be used to realize this output is the inventory of the market information providers, type of market information provided per VC with a view to assisting VCAs identify the appropriate and acceptable types of information that they require. The indicators that these activities have been undertaken include: 1) the number of market information providers supported, 2) the number and type of information provided and 3) the number of VCAs using market information by gender. Counties should establish strategic targets on each of these indicators that will subsequently be used for annual planning targets.

***Output indicator 3.2.1: Number of market information providers supported***

VCGs will analyze their value chains to determine their marketing needs. NPS and CPS will take stock of the governmental and non-governmental organizations charged with collection, collation, packaging and dissemination of agricultural market information and partner with them based on expected impacts on VCG'S or VCAs' access to markets. NPS and CPS will profile the organizations and develop vetting criteria to identify those that best serve the marketing needs of VCAs with an intention of strengthening the best market platforms.

***Output indicator 3.2.2: Number and type of market information provided***

CPS will partner with organizations involved in agricultural market information systems that are accessible to value chain stakeholders. Market information will be packaged in such a manner that makes it easily accessible to VCAs and meets their varied needs. The information will include *product, place, price, promotion, people, processes, physical evidence and productivity & quality* currently referred to as the 8 Ps of the Marketing Mix. VCGs will take note of available market information in terms of number and type.

The use of Information and Communication Technology (ICT) such as social media will be critical for information sharing and dissemination. The Programme will support VCAs to leverage on existing marketing and market information-sharing portals which bring buyers and sellers together. VCPs will be encouraged to establish websites for purposes of marketing their products.

***Output indicator 3.2.3: Number of VCAs using market information by gender***

Many small businesses for women, men and youth are faced with limited access to knowledge and information on markets. Quarterly reviews will be carried out by CPS in collaboration with relevant partners to assess the number of VCAs using market information by gender. Market information will be used when developing business plans and also during their implementation. The reviews will entail monitoring and evaluating the Programme with regard to VCAs using market information whose data will be gender disaggregated.

**4.3.3 Output objective 3.3: Improving access to financial services by VCAs**

In the context of ASDSP II, financial services refer to monetary and insurance services. The Programme will support access to financial services to enhance uptake of technologies and increase productivity of VCAs. A wide variety of financial institutions are fully operational across Kenya, many are specifically focused on providing services in rural areas to the segment of the population that are not served by conventional banks. The main activities to be undertaken to realize this output is linking VCAs with financial service providers. In order to do this, the programme will take inventory of all financial institutions in the counties supporting value chain development; inventorize the different types of financial services including type of products and the amounts of each of the types involved and available. The achievement of these activities will be measured by the number of VCAs accessing financial services by type and by the volume of financial services accessed by VCAs and by type. Counties should establish strategic targets on each of these indicators that will subsequently be used for annual planning targets.

***Output indicator 3.3.1: Number of VCAs accessing financial services***

ASDSP II will leverage credit guarantee funds including savings' mobilization and credit facilities to support rural financial institutions that provide services to VCAs and PPPs in order to engage the private sector in agricultural value chain financing. Financial institutions that implement lending policies based on gender equity and inclusiveness will be considered for assistance by the Programme to access the SIDA/USAID Credit Guarantee Facility. VCGs and VCPs will establish

the financial products used by VCAs. They will also assess VCAs based on developed procedures to determine their suitability for grants. A profile of each institution will be developed providing indications of the products and services they offer.

CPS in consultation with NPS, partners and other VCD support agents will develop an inventory of existing agricultural financial services in every county, evaluate and analyze their suitability for VCAs. Further, CPS will approach and agree with relevant partners to offer technical advice on financial services to VCAs with a view to developing a sustainable framework for VCD financing that is inclusive of women, youth and other disadvantaged groups.

VCGs will work with partners to promote a saving culture among VCAs and improve their ability to engage financial service providers through training and match-making forums. The improved capacity of VCAs in financial literacy, skills and management will be recorded in the Programme monthly, quarterly and annual reports prepared by CPS which will also support advocacy towards adoption of the “warehousing receipt system” as an acceptable security to access financial services.

#### ***Output indicator 3.3.2: Volume of financial services accessed by VCAs by type***

CPS will sign agreements and work with financial institutions in respective counties to improve financial access to VCAs. It will establish from VCGs or VCAs the volumes and type of financial services accessed within a defined period. On a quarterly basis, CPS will also seek and obtain from financial institutions the volume of financial services accessed by VCAs by type for each prioritized value chain. This action taken together with responses from VCAs on the volumes and types of financial services used will enable identification of the sources of these services, formal or informal. This information will constitute part of the quarterly Programme reports.

Whenever possible, ASDSP II partner financial institutions, especially those that offer cheap and affordable credit, will be assisted to open new branches in deserving areas to improve access to financial services. Further, the Programme will support enhancement of access to financial services by VCAs, especially women and youth, by collaborating with innovative financial service providers.

#### **4.4 Outcome objective 4: Structures and capacities for consultation, cooperation and coordination in the sector strengthened**

This outcomes aims at strengthening structures and capacities for consultation, cooperation and coordination in the Sector. This will be realized through 4 strategies: 1) Supporting initiatives for establishment of structures for consultation, collaboration, cooperation and coordination; 2) Enhancing capacities of established structures for consultation, cooperation and coordination; 3) Enhancing participation of stakeholders in consultation, cooperation and coordination structures and 4) Preparation, launching and roll-out of Sector policies, strategies, regulations and plans.



The achievements of this outcome will be measured by the following indicators: the number of policies, strategies, plans and regulations formulated and or reviewed and implemented, and the percentage of VCAs satisfied with structures for consultation and coordination (by gender). There is therefore need for counties to develop baselines of these two indicators during the first three months of the programme to enable measurement of the changes brought about by the strategies. Surveys and or data collection on the achievement of these indicators shall be undertaken by each county periodically. This data should be collected at least three times during the programme period, at start, midterm and end term.

#### **4.4.1 Output objective 4.1: Supporting initiatives for establishment of structures for consultation, cooperation and coordination**

The starting point in the realization of this output will be the establishment of Programme secretariats at the national level and in each county supported by the consultation and cooperation mechanisms of the Agricultural Sector. The Programme, through NPS at the national level and CPS at the county level, will support establishment of structures for consultation, cooperation and coordination. JASSCOM will provide guidance in establishment of structures at each level of government. The Programme will support each county to take an inventory of its Sector coordination structures, inventory of operational structures and rolling out the framework for coordination mechanisms. The achievement of this output will be measured by the number and types of steering, coordination and management structures in place, and by the number of structures with operational procedures and guidelines at various levels. It is therefore a requirement that each county establishes targets that the programme should achieve during the programme period and use this strategic figure to establish annual targets that will inform the budget needs for the realization of the set targets.

##### ***Output indicator 4.1.1: Number and types of consultation, collaboration, coordination and management structures in place***

Structures for consultation, cooperation and coordination fall under three categories: National: NPS; Inter-governmental: IGF-A; JASSCOM; JAS-IGS; JAS – TWGs/SWAGs and County: CASCOM and CPS (Table 2). The NPS and CPS which are responsible for the day-to-day management of the Programme will be established in the first 2 month of the Programme.

Apart from the NPS whose activities in consultation, cooperation and coordination are limited to the Programme, the national government has proposed 2 coordination and consultation structures: the MOALF&I Executive Committee (MEC) and the National Agriculture Transformation Council (NATC). ASDSP II will support establishment of these structures in the first year but such support will be available any time during the 5 year period of the Programme.

**Table 2: Structures for consultation, cooperation and coordination**

Action/activity	Lead agency	Time frame					
		1st	2nd	3rd	4th	5th	
Establishment of NPS	CS	June 2017	-	-	-	-	-
Inventorization of structures	NPS	July 2017	-	-	-	-	-
Establishment of CPSs	COs in consultation with CECMs	July - 2017	-	-	-	-	-
Establishment of CASCOMs	COs in consultation with CECMs	June 2019	-	-	-	-	-
Constitution of JASSCOM	CS – MOALF&I and Chair Agric. Committee CoG	Jan. - 2017	-	-	-	-	-
Constitution of JAS-IGS	JASSCOM	May 2017	-	-	-	-	-
Operationalization of JAS-IGS	JASSCOM	May 2017	-	-	-	-	-
Establishment of JAS-TWGs/SWAGs	JAIGS	July - 2017					
Operationalization of JAS – TWGs or SWAGs	JAIGS	July - 2017	-	-	-	-	-
Constitution of IGF-A	JASSCOM	Nov. 2017	-	-	-	-	-

Facilitate establishment of COs caucus	JASCOM and CASCOM	June 2019				
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***Output indicator 4.1.2: Number of structures with operational procedures and guidelines at various levels***

As a matter of priority, structures to be established will be those that provide Sector and Programme level consultation, cooperation and coordination at the national, intergovernmental and county levels. The private sector, civil society and other interest groups such as women and youth will be included in the establishment of structures. As a second priority, establishment of additional structures will be supported if the structures are found to be necessary at a given level of government. The Programme implementation structures will need operational procedures and guidelines as stated in Table 3.

**Table 3: Programme implementation structures and operational guidelines**

Structure	Operational procedures or guidelines	Responsibility	Time
PC	Appointment letter	PS-SDC in consultation with the PS-SDL and PS-SDF	June 2017
NPS	Appointment letters Duty specification for NPS Officers	PS – SDC in consultation with the PS-SDL, PS-SDF and PC	June 2017
CPS	Appointment letters	CO-Agriculture in consultation with CECMs and relevant COs	July 2017
CASCOM	Appointment letters	CECMs -Agriculture in consultation with relevant COs	July 2017
JASSCOM	Minutes of meetings appointing members	CS and Chair Agriculture Committee CoG	January 2017
JAS-IGS	Appointment letter	CS and Chair Agriculture	January 2017

		Committee CoG	
Other structures (specify)			

#### **4.4.2 Output objective 4.2: Enhancing capacities of established structures for consultation, cooperation and coordination**

The Programme will support consultation, cooperation and coordination structures and strengthen their capacities so that they can perform their roles effectively. Coordination structures at the national and county levels will be established taking into account the existing competencies to avoid delayed implementation. The steering instrument for the Programme coordination at all levels will be the Programme Document (PD), the five year strategic plan and the subsequent annual activity budget plans that will be specific to each coordination structure. Considering that these Programme specific structures will be supporting other Sector coordinating structures, their competencies in all the five areas of the policy cycle will be important at the respective levels. The broad activities that will form the basis for specific activity planning at each level will be taking inventory of needed capacity and developing technical and operational capacity for coordination.

Competencies in the areas of policy development including policy agenda setting, formulation, adoption, implementation and evaluation will be enhanced. The same action will apply to entrepreneurial skills and business planning. Emphasis on specific aspects of policy processes will be determined by the roles of each structure. For example, policy development is mainly a responsibility of the national government with involvement of the county governments and other actors while implementation is predominantly at the county level. One of the key areas for capacity building associated with policy processes is the evidence-based management, evaluation and communication. At both levels of governments, priority will be given towards enhancing capacity in these areas.

Capacity for coordination cannot be complete without funding and other supportive requirements. The Programme will prioritize needed material support at each level and factor such needs in the annual work plans. Most of the recurrent needs including staff emoluments and extraneous allowances, office accommodations and associated costs like water and electricity are part of non-cash contribution by the Government of Kenya whereas materials such as computers and stationery will be part of the costs directly met by the Programme budget.

The achievement of this output will be measured by the number of structures with operational instruments such as establishment and appointment letters and the percentage achievement of operational instruments implementation. It is important that NPS and CPS establish strategic targets on these indicators that will also be used to inform annual work planning targets.

***Output indicator 4.2.1: Number of structures with operational instruments/work plans***

It will be the responsibility of the NPS at the national level and CPS at the county level to enumerate structures at respective levels of government and their operational instruments. The structures will be governmental, business sector or civil society-based. As a priority, capacity building activities will be informed by a five year strategic plan developed by each coordinating structure in the first year of the Programme. The strategic plans will be implemented through annual activity work plans with clear targets for the realization of consultation, collaboration, cooperation and coordination structure responsibilities. The structures will be supported by the Programme to develop other steering documents that will enhance transparency and accountability. Such documents include quarterly and annual reporting formats, annual performance contracts, yearly procurement plans and specific guidelines developed for implementation of the Programme.

The Common Programme Framework (CPF) creates a collaborative mechanism for establishing strong sector investment linkages. It is intended as a common mechanism for prioritization and consultation of ASDSP II investments from all key sector stakeholders including the national government, county governments, the private sector and development partners. The CPF will be developed under the guidance of JASSCOM during the first year of implementation.

Human capacity in terms of numbers and professional competence will be a prerequisite for effective implementation of the Programme. Rapid capacity needs appraisal for each structure will be undertaken. This will enable the Programme to support enhanced operational capacity of its professionals. The two levels of government will deploy competent individuals at the respective structures that will operationalize implementation. Deployment of county staff will be guided by the MoU on staffing, signed by the CS-MOALF&I and CoG at the start of the Programme. Structures at all levels will be supported to develop mechanisms for engagement of non-state actors including supporting their internal coordination structures and ensuring their representation in the coordination structures.

***Output indicator 4.2.2: Percentage achievement in implementation of operational instruments and guidelines***

The operational instruments including strategic plans; annual activity work plans; annual performance contracts, guidelines and yearly procurement plans must be implemented for the Programme to realize its objectives. The percentage achievement in implementation of these instruments will be periodically measured by NPS and CPS. Specifically, this will take place during the quarterly monitoring activities by CPS; semi-annual Programme implementation monitoring by NPS; Mid Term Review by external evaluators and during the End Term Evaluation.

**4.4.3 Output objective 4.3: Enhancing participation of stakeholders in consultation, cooperation and coordination structures**

The level and depth of participation in the Programme at the national, inter-governmental and county levels will be determined by the objective of coordination. The roles of the structures will

determine participants in consultation, collaboration, cooperation and coordination at the national, intergovernmental and county levels. The achievement of this output will be measured by the number and type of stakeholders participating in coordination and consultation structures, the number of operational partnerships and the percentage level of satisfaction of stakeholders in the participation of consultation and coordination. Both NPS and CPSs should establish strategic targets for both indicators and use the five year target for yearly plan targets.

***Output indicator 4.3.1: Number of stakeholders participating in consultation, cooperation and coordination structures***

Stakeholders within the narrow Sector and wider Sector as well as non-state actors will play important roles in coordination of the Sector and Programme implementation. Operational mechanisms for established structures at each level of government will specify roles of different stakeholders and provide opportunities for their participation. Each structure will need to take an inventory of its stakeholders and develop a framework for stakeholder consultations. Key stakeholders in the Programme at the national and county levels are outlined in Table 4. NPS and CPS will take lead in inventorization of key Programme stakeholders at the respective levels of government. Since all stakeholders perform crucial roles in implementation of the Programme, their inventorization should be accomplished within the first 6 months of the Programme.

**Table 4: Key stakeholders in the Programme and their roles**

No.	Stakeholder categories	Roles in the Programme
<b>National government</b>		
1.	Agricultural Sector departments	<ul style="list-style-type: none"> <li>- Capacity building of service providers</li> <li>- Policy and strategy formulation.</li> <li>- Monitoring and Evaluation.</li> <li>- Regulators</li> <li>- Trade facilitation</li> </ul>
2.	Semi-Autonomous Government Agencies	<ul style="list-style-type: none"> <li>- Input supply</li> <li>- Service providers</li> <li>- Marketing</li> <li>- Processing of produce</li> </ul>
3.	Other programmes in the Sector	<ul style="list-style-type: none"> <li>- Complement the Programme e.g. KAPAP provided “hardware” in certain counties during ASDSP I.</li> </ul>

4.	Development partners	- Co-financing of the Programme.
5.	Non-Governmental Organizations	- Service providers - Co-finance the Programme - Technology dissemination - Advocacy
6.	Civil Society Organizations	- Advocacy - Monitoring and evaluation - Community mobilization and sensitization
7.	Research institutions	- Technology generation - Preparation of technology packages - Programme innovations - Baseline surveys - Socio-economic studies
8.	Training institutions	- Capacity building
9.	Private sector organizations	- Input supply - Service providers - Innovators - Investors
<b>Counties</b>		
1.	Other departments in the Sector	- Service providers - Implement respective regulations - Co-finance the Programme
2.	Other programmes in the Sector	- Provision of “hardware” - Service providers - Joint planning and implementation
3.	Non-Governmental Organizations	- Service providers - Capacity building - Co-finance the Programme - Technology dissemination - Community mobilization - Advocacy
4.	Community Based Organizations	- Community mobilization - Resource mobilization - Advocacy
5.	Financial institutions	- Provision of credit - Financial literacy - Grant financing
6.	Insurance companies	- Crop and livestock insurance services

7.	Faith Based Organizations	<ul style="list-style-type: none"> <li>- Service providers</li> <li>- Community mobilization</li> <li>- Provision of grants</li> </ul>
8.	Cooperatives	<ul style="list-style-type: none"> <li>- Governance; input supply and marketing</li> </ul>

***Output indicator 4.3.2: Number of operational partnerships***

The design of ASDSP II envisages its implementation through collaborations and partnerships. Under this output, the Programme will engage various partners to gain technical and financial support. Collaborators and partners in the Programme come from different backgrounds and have specific Sector interests. To increase harmony and synergy in their operations particularly where they partner with the Programme to carry out defined tasks, there will be need to develop a common and agreed Code of Conduct and provide for other operational instruments like MoUs, contracts, Joint Planning and letters of Agreement. Such instruments serve to guide implementation of the Programme and should be in place at the start of the partnerships. The signing and deposition of these instruments at the NPS or CPS shall denote operational partnerships and should, preferably, take place in the first year of the Programme but can happen at any time during the life of the Programme.

***Output indicator 4.3.3: Percentage level of satisfaction of stakeholders participating in coordination and consultation***

The Programme will carry out customer satisfaction surveys to determine the level of satisfaction of stakeholders participating in coordination and consultation. The surveys will be carried by CPS at the end of every implementation year through mobile telephone interviews, self-administered questionnaires sent by electronic mails to stakeholders or questionnaires administered during meetings. Where necessary, NPS will capacity build CPSs in development, analysis and interpretation of customer satisfaction interviews within the first 6 months of the Programme. Alternatively, stakeholder satisfaction will be measured during the quarterly monitoring processes by the CPSs. A checklist of relevant questions will be developed by the CPS in consultation with the NPS before monitoring starts.

**4.4.4 Output objective 4.4: Preparation, launching and roll-out of Sector policies, strategies, regulations and plans**

The 7 typical steps in a public policy making process are: problem identification; agenda setting or listing issues to address; policy formulation (makes drafts and discuss with stakeholders - public participation); policy validation and adoption; policy implementation plan including allocation of resources for implementation; policy implementation and policy evaluation including possible review.



The established coordination structures will require formulation of suitable policies, regulations and strategies that will guide development of the Sector. Where these instruments already exist as is the situation in many cases, the Sector will prioritize their implementation, monitoring and evaluation to achieve Programme goals and objectives. The launch and roll-out of these implementation documents will mark the beginning of their application and shall be in a suitable location in terms of accessibility and comfort. The launch shall take place in the presence of key stakeholders or their representatives. Following the launch and roll-out of policies, strategies, regulations and plans, efforts shall be made to disseminate their contents widely particularly among implementers and other key stakeholders. The media and other methods of mass information circulation may be applied in this process.

The achievement of this output will be measured by the number of policies, strategies, plans and regulations (separately) inventorized and those rolled out. As for all other output indicators, strategic targets should be established and used for annual planning targets. Of particular interest to the programme will be the policies, strategies, plans and regulations linked to the prioritized value chains.

#### ***Output indicator 4.4.1: Number of policies inventorized***

A policy is a set of coherent guidelines formulated or adopted by an organization to reach its long-term goals. In the context of the Programme, policies are intended to determine and influence major decisions and actions; hence all Programme activities shall take place within stated policy boundaries. Preparation of policies shall take into account prevailing Sector challenges, technological progress and world policy trends among other concerns. Constitutionally, public participation shall be upheld in policy making.

The narrow Agricultural Sector comprising of the State Departments for Crops, Livestock and Fisheries has developed a number of policies including the Agricultural Policy; Fishery Policy and the National Livestock Policy. All these policies are necessary for the realization of ASDSP II objectives. Beyond the Agricultural Sector, there are relevant policies impacting on the Sector. Such policies include the Forestry Policy; Water Policy and the Environment Policy. Broadly, the policies can be classified as follows: crop-based; livestock-based; fishery-based and other sector policies. All the policies with relevance to the Sector will be inventorized by the NPS in the first 3 months of the Programme and shared with the County Programme Secretariats. On their part, the CPSs are expected to inventorize similar policies developed in their respective counties; this should also take place in the first 3 months of Programme implementation.

#### ***Output indicator 4.4.2: Number of strategies inventorized***

In the Agricultural Sector, a strategy will involve identification of challenges e.g. low productivity and weak marketing infrastructure, selection of possible methods of responding to the challenges like application of improved technologies and choosing approaches to implement the methods which may be through partnerships. Ideally, strategies provide details of implementing an existing policy or sections of a policy. However, there are many instances where strategies have preceded policies and become “pseudo” policies in themselves. Arising from the existing Sector policies at both levels of government key strategies have been developed. These strategies will be inventorized by the NPS, at the national level and CPS at the county level within 3 months following the start of the Programme.

***Output indicator 4.4.3: Number of plans inventorized***

A plan is a documented course of action aimed at achieving specific goals or objectives within a defined period. In the context of the Agricultural Sector, a plan must state what activities need to be carried out; when; by whom; indicators of accomplished activities and reasonable activity targets. Plans shall be based on relevant existing strategies and policies and may also take into consideration emerging trends. The NPS and CPS will develop and inventorize a number of Programme operational plans including strategic plans; annual work plans and procurement plans. This will be done in the course of implementation of the Programme.

***Output indicator 4.4.4: Number of regulations inventorized***

In the Sector, regulations shall refer to rules intended to control and direct Programme implementation. Usually regulations are based on existing legislation but VCAs may agree on certain rules to manage their resources. For example, beef VCAs in the ASALs can formulate dry and wet season grazing rules. Similarly, upstream and downstream farmers can develop rules to use a common river traversing their agricultural zones.

Based on the existing laws in the Agricultural Sector at the national level, many regulations of critical importance to VCD have been developed. At the county level, county assemblies have domesticated national regulations or produced county-specific regulations relevant to the Sector. A few VCAs may also have local regulations in regard to their respective value chains. All the regulations within the narrow Sector and those in the larger Sector that impact agricultural development will be inventorized by the NPS and CPS at the start of the Programme. At the end of the first 3 months of the Programme, a complete inventory of regulations should in place at both levels of government. These inventories will be revised from time to time as new regulations are developed.

***Output indicator 4.4.5: Policies launched and rolled out***

Preparation of Sector policies shall be according to established government procedures enumerated in various laws. Even though the Sector already has what might be termed “sufficient policies”, the need for new policies cannot be ruled out bearing in mind the changing agricultural environment; new technological development and varied economic trends among other considerations. NPS and CPS will support development, launch and roll out of new policies as long as they support development of the prioritized value chains during the Programme implementation period at the respective levels of government. Existing Sector policies that have not been rolled out in respective counties will be rolled out in the first year of Programme implementation.

***Output indicator 4.4.6: Strategies launched and rolled out***

National Sector strategies will be jointly launched and rolled out at by the national and county governments. NPS will support respective state departments at the national level to carry out the launch and roll-out of Sector strategies within 3 months of their development. At the county level, CPS will support relevant agricultural departments to roll out county-specific Sector strategies 1-2 months after their conclusion.

***Output indicator 4.4.7: Plans launched and rolled out***

The 5-year strategic plans that are expected to be developed by the NPS and CPS at the start of the Programme shall be immediately launched and rolled out. This is necessary because the annual work plans that will be required for the release of Programme funds every Financial Year will depend on these strategic plans. Other strategic plans that may be developed by institutions like JASCCOM; JAIGS and CASCOM will be relevant to the Programme and therefore will benefit from Programme support during their launch and roll out.

***Output indicator 4.4.8: Regulations launched and rolled out***

Regulations are necessary for enforcement of policies which, in the case of VCD, result in value chain discipline. When effectively launched and rolled out, regulations hold the potential of streamlining the behavior and actions of VCAs which can only lead to faster achievement of ASDSP II objectives. NPS and CPS will therefore support the launch and roll out of relevant Sector regulations during the Programme implementation period.

## 5.0 PLANNING, MONITORING, EVALUATION AND COMMUNICATION

This section provides guidance on:

1. Planning tools to steer implementation teams to deliver the Programme on time, within the budget and within schedule;
2. How to measure the performance and impact of the Programme;
3. How Programme information will be communicated to stakeholders and
4. The source and distribution of Programme funds.

### 5.1 Planning

The following set of planning tools will guide implementation teams through implementation and conclusion of the Programme. The tools will also assist in ensuring that implementing teams deliver the Programme outputs on time, within the budget and within schedule. Planning for most of the activities will be done at county level. However for harmony, backstopping and strategic planning of Programme activities at county level will be supported by NPS. The tools consist of the following:

1. Strategic plan;
2. Annual work plan;
3. Financial and procurement guidelines and
4. Monitoring and Evaluation Plan.

#### 5.1.1 Strategic plan

Counties as well as the National office will develop a 5-year strategic plan within the first three months to facilitate achievement of the overall objective of ASDSP II i.e. to '***develop sustainable priority value chains for improved income, food and nutrition security***'. The 5-year plan will focus on the four result areas as stipulated in the ASDSP II Programme Document. The strategic plan will be the basis for the development of ASDSP II Annual Work plans and Budgets (AWP&B).

The strategic plan will be designed in such a way that it builds on the successful experiences gained from ASDSP I intervention strategies. The plan will also be adapted to focus on the following key strategies:

1. Inter sectorial focus;
2. Demand-driven and stakeholder-led Value Chain Development;
3. Partnership-based investment and implementation;
4. Harmonization with government structures and procedures;
5. Commercial and 'pull-focused' VCD;
6. Integration of women and youth in VCD;
7. Resilience-focused and climate smart approach to VCD; and
8. Exit strategy

In ASDSP II, targets will be aggregated from the 4 outcome objectives by populating the annexed data tool templates (Annex 8). This will result in global targets for the Programme. These targets will be rationalized and apportioned to the 5 years of Programme implementation.

Guideline, tools, and concept formats will be developed to guide identification of priority activities in all the 4 outcome areas in consultation with implementing entities including VCAs. It is likely that fewer activities might be implemented in the first and second years owing to anticipated delays associated with changes in Programme implementation arrangements. The targets and activities will however progressively increase towards the 3<sup>rd</sup> and 4<sup>th</sup> years and eventually reduces in the last year. The mapping of these targets and their indicators; periods of implementation; funding requirements and implementing entities will form a global strategic plan for the Programme.

### **5.1.2 Annual work plan**

An annual work plan is a set **of sequential activities to be implemented over a one year period** to meet the outputs of the Programme. It consists of activity targets, budget, period and implementing entities. In addition to planning activities aimed to achieve the strategic objectives at a more detailed level, the work plan will also serve as justification for the release of funds.

The work plan will be prepared by the 48 implementing units (47 CPSs and NPS) in consultation with stakeholders and will follow the Government's annual budgeting cycle. Development of the work plans will be harmonized with the county and national budgetary processes. The implementing department at the county level will ensure that the plans are included in the county budget framework. Work planning will focus on programme outcomes and outputs to define detailed activities and their costs required to reach the established output targets outlined in the strategic plan.

In activity budgeting, NPS and CPS will take into account the result area budget distribution and annual budget ceiling as provided in the ASDSP II annual budget distributions by implementing units (Annex 9). Development of the work plan will be guided by the Programme strategic plan. Special attention will be given to actions integrating gender perspective.

For ease of developing the AWP&B the web based MIS for M&E developed in ASDSP I will be used. This System enables efficient linkage of the results chain from inputs – activities – outputs – outcomes – purpose and ultimately the Programme goal.

**Annual work planning processes:** The work planning process will be initiated by the NPS and CPS respectively at the beginning of July (Table 5). The first year's work plan will be prepared by mid June 2017.

**Table 5: ASDP II Annual work planning process**

<b>Activity</b>	<b>Participants</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Expected Output</b>
1. Develop and issue work plan budgeting guidelines	Design Team	CPC; NPC	2 <sup>nd</sup> week of July	Budgeting guidelines
2. Review previous year performance and define detailed activities required to reach established annual output targets (county)	Prioritized VCP, SPs/ Partners, CPS	CO; CPC	1 <sup>st</sup> week of October	Indicative county level work plans
3. Review previous year's performance and define detailed activities required to reach established annual output targets (national).	COG, JAS, MoALF	NPC	1 <sup>st</sup> week of October	Indicative national level work plans
4. Finalize Indicative work plans (national and county)	NPS; CPS	NPC; CPC	2 <sup>nd</sup> week of October	Revised indicative work plans
5. Present the resulting indicative county level work plans for review and approval by CASCOM	CASCOM members	CO; CPC	3 <sup>rd</sup> week of October	Approved indicative work plan with comments
6. Review previous year performance and budgets (regional workshops)	CO, CPC, NPS, M&E Officers	NPC; JAS	2 <sup>nd</sup> week of November	Agreed county and national work plans
7. Consolidate county and NPS budgets into full ASDSP II AWP&B	NPS	NPC	4 <sup>th</sup> week of November	ASDSP II consolidated work plan
8. Submit reviewed AWP&B for JASSCOM and CASCOMs approval	NPC	NPC	2 <sup>nd</sup> week of November	Approved work plan
9. Submit approved AWP&B to Sida for review and concurrence (annual bilateral mission)	JAS	NPC	1 <sup>st</sup> week of Dec.	Approved work plan
10. Submit approved work plan to the National Treasury and	NPC, NPS	PS SDC;	2 <sup>nd</sup> week of January	Annual ASDSP II budget

County Treasuries for inclusion in the national budget and county budgets				included in the national and county budgets
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### 5.1.3 Financial and procurement plan

Implementation units at both county and national levels will prepare annual procurement plans and periodic reports of procurement as guided by templates in the detailed *ASDSP II Finance and Procurement Guideline*.

### 5.1.4 Monitoring and evaluation plan

M&E plan consists of performance monitoring and evaluation, data collection and delivery, result reporting, documentation and dissemination plans. The M&E plan guides what should be monitored and evaluated, what information is needed and who needs the report. It outlines key monitoring and evaluation questions, allows identification of the information needed and how to collect it (Annex 10). Persons responsible for different tasks as well as timelines are identified. NPS and CPS in consultation with the planning and M&E sector units will develop a detailed M&E plan within the first quarter of 2017/2018 Financial Year. The plan will provide information on performance monitoring and evaluation, data collection and delivery result reporting, documentation and dissemination methods.

## 5.2 Monitoring and Evaluation

M&E of ASDSP II will entail assessment of the Programme to establish if it has been implemented according to plan and is having the desired results based on the following tools (Annex 11):

- ASDSP II log frame;
- The 5 year strategic plan;
- Annual work plan and budget;
- M&E plan<sup>4</sup>;
- Financial and procurement plan;
- Data tools<sup>5</sup>;
- VCAs standardized data collection reporting tools;
- Web based MIS for M&E<sup>6</sup>;
- Programme technical implementation guidelines including extended grant concepts and
- Reports – status, surveys.

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<sup>4</sup> M&E plan consists of performance monitoring and evaluation, data collection and delivery, result reporting, documentation and dissemination plans

<sup>5</sup> Data tools provide detailed indicators per output and outcome objective; information required per target and their units of measure; source of the information and the frequency of their measurement. The templates are made such that aggregate targets and achievements can be computed by implementing entities and summaries generated across implementers for every result area

<sup>6</sup> The ASDSP Web based MIS system for M&E is based on the results- based management strategy of project monitoring and evaluation (planning, budgeting, monitoring, reporting and evaluation).



**Monitoring and Evaluation Unit:** M&E unit will be composed of the national M&E and communication specialist, county M&E officers and data officers who will take lead in implementation of the Programme M&E Plan. Specifically, the Unit will be responsible for collecting, analyzing, and reporting performance information. The Unit will work in collaboration with county and national M&E thematic working groups. Within the first 3 months, the secretariats in consultation with the planning and M&E units at the county and national levels will review the team composition and their respective roles.

## **Monitoring**

ASDSP II monitoring will be guided by the performance monitoring plan as prescribed in the Programme M&E plan. It will be done periodically at the national and county levels (Figure 2).

The process will involve the following:

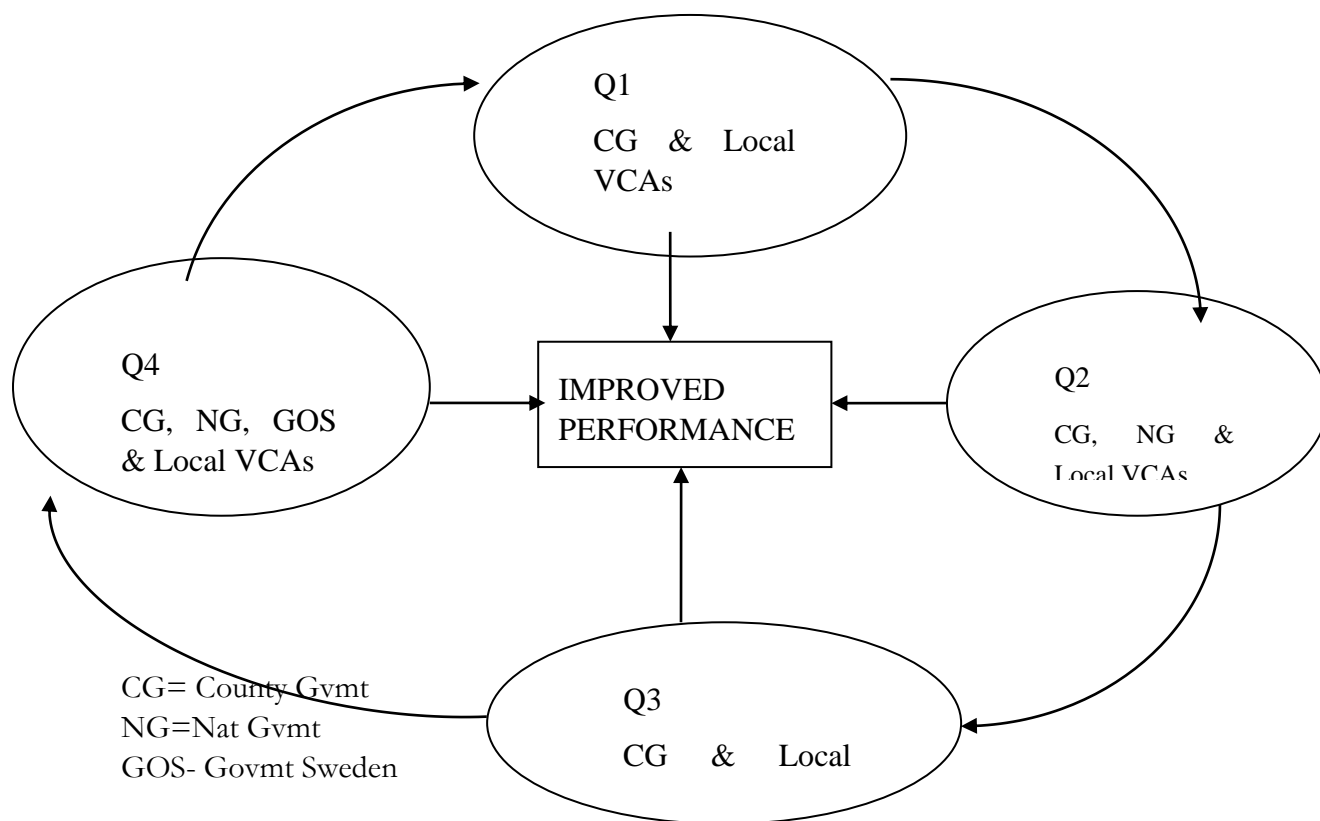
1. Data collection on the output indicators on a quarterly basis:
  - The data tool will guide information to be collected, method of collection, frequency, by whom and the intended user of the information;
  - The VCCG will collect data from VCAs/VCPs including service providers using a common data collection tool developed by the M&E team;
  - The M&E unit will consolidate data from VCPs and relevant service providers;
  - The county SMS will interrogate the data
  - That data<sup>7</sup> will then be fed into the ASDSP II web based MIS for analysis, interpretation and reporting using prescribed formats.
  
2. Periodic assessment of the progress and performance of the Programme and the achievement of its expected outputs and outcomes and respective annual activity targets:
  - Monthly meetings by NPS to review monthly work plans;
  - Monthly meetings by CPS to review monthly work plans;
  - Quarterly field visit by the CPS to review the Programme achievements by VCAs;
  - Semiannual visits to sampled counties by the National government and CoG ; and
  - Semiannual bilateral visits to sample counties by the DPs, NPS, CASCOM, CPS, JASCOM (2<sup>nd</sup> and 4<sup>th</sup> quarters).

CPS will produce monthly County reports for sharing at that level and also quarterly reports to be shared with NPS. On the other hand, NPS will compile semi-annual and annual reports that will be shared with implementing agents at the national level. The reports will provide information and will be used in tracking analytical progress in implementation of work plans. They will be of use in analysis of factors affecting implementation of the Programme. The day –to-day monitoring of

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<sup>7</sup> Monitoring data collection and management will be carried out as prescribed in the M&E manual

technical and financial aspects will be a continuous process and part of the implementing counties' and partners' responsibilities.



**Figure 2: Project Monitoring Cycle**

### 5.2.2 Evaluation

Evaluation will comprise the following elements:

1. **Baseline data:** ASDSP II outcome and impact baseline data will be derived from phase I baseline survey reports, market survey technology assessment study, risk assessment study and end-term evaluation findings. However, the Programme purpose indicators (gross margins and satisfaction levels of VCAs) will be established at the beginning of the Programme within the first 3 months. NPS will provide guidelines to enable CPS carry out county specific assessment of gross margin and satisfaction levels of VCAs. Baseline data will be disaggregated by gender and age where applicable. Characteristics (gender, age, education) and contacts of VCAs involved in phase I will be updated at the beginning of the Programme and will be updated periodically.
2. **Mid-term Review:** Mid-Term Review (MTR) by an external team will be conducted in the 2019/2020 Financial Year to assess the Programme's progress against the log frame and from an independent point of view, assess the relevance, effectiveness, efficiency and

sustainability of the Programme approaches, strategies and organizational set-up and partnership arrangements. It will also assess the effective complementarity of different programme result areas in contributing to the outcomes. The review will make recommendations for the remaining period of the Programme. MOALF&I in consultation with JASSCOM and GoS will procure external consultants to conduct the MTR.

3. **Impact evaluation:** A final internal evaluation will be conducted 6 months before the end of the Programme to determine its relevance and fulfillment of objectives, development efficiency, effectiveness, impact, sustainability and lessons. MOALF&I and JASSCOM will recruit a team from the two levels of government to conduct the impact evaluation. Government of Sweden may also commission an external evaluation in consultation with GOK.
4. **Special studies and case studies:** These studies will be research activities aimed at obtaining an in-depth understanding of the underlying factors to the observed results as well as operational challenges as they unfold in the course of ASDSP II implementation. They will involve undertaking more specific and in-depth analysis of Programme activities to explain observed trends, patterns and policy/institutional and other changes in the Programme's operational environment. These will be identified by the respective specialist teams at both levels and be included in work plans for approval.
5. **Government-Development Partner review meetings:** Performance of ASDSP II will also be monitored and discussed in semi-annual bilateral review meetings with Development Partners engaged in the Programme, the national and county governments. NPS will organize the meetings in consultation with JASSCOM.
6. **Joint Agriculture Sector Steering Committee (JASSCOM):** The committee is charged with provision of regular policy and strategic direction to the Programme. It will therefore be necessary for it to semi-annually monitor implementation of the Programme in order to make informed decisions on matters such as work plans and budgets regarding ASDSP II.

### 5.2.3 Reporting and feedback

ASDSP II implementing teams will, at a minimum, produce reports to comply with its reporting requirements. In addition to financial reports which are mainly for compliance, other reports will include:

1. **Thematic reports:** These will be ad hoc reports prepared when specific issues or processes need attention and to secure proper monitoring and learning. The demand for these reports may originate from MOALF&I, JASSCOM, CASCOMs or participating DPs and will be in line with the Programme result areas. These reports will reflect annual work plan activities
2. **Performance monitoring reports:** These reports will be produced monthly, quarterly and annually by every implementing unit. The reports will provide information and will be used in tracking progress in implementation of work plans. The reports will be of use in analysis of factors affecting the Programme's implementation and will be on a quarterly basis by CPS

and biannually by NPS. JASCOM and CASCOMs, the programme oversight committees, will be presented with copies of the reports for information, comments and approval.

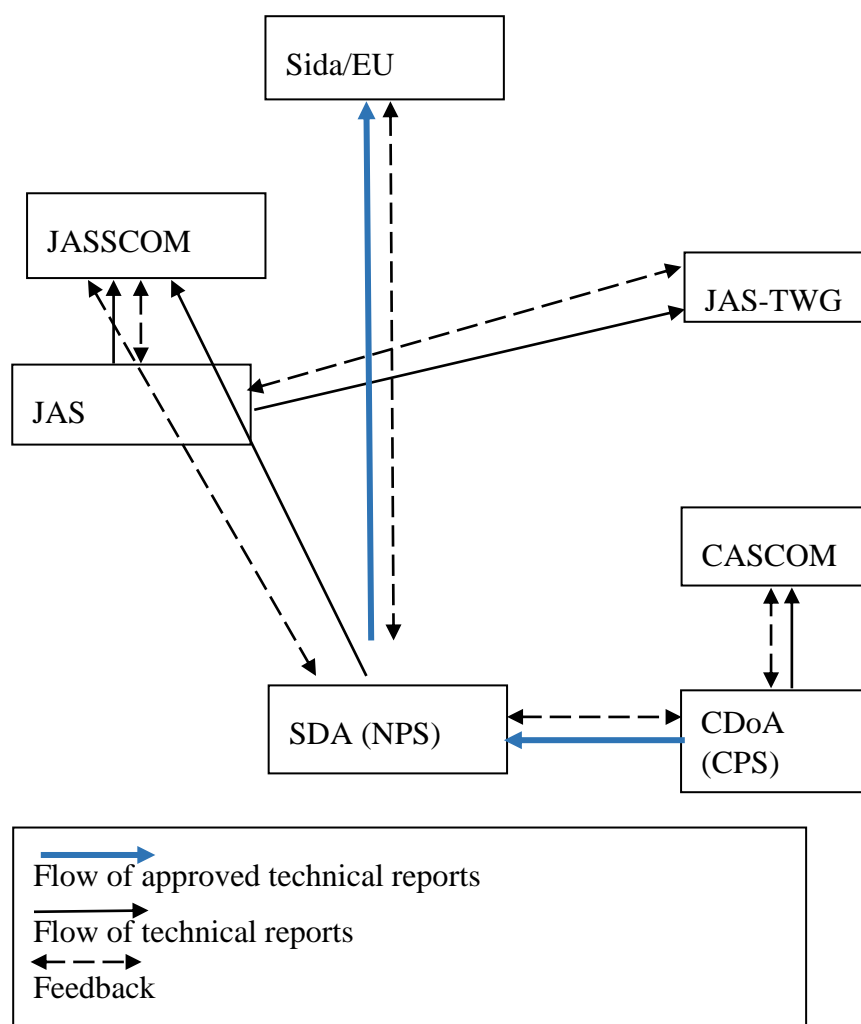
3. **Policy briefs and guidelines** – During implementation, issues may arise that require clarification in order to ensure a common approach and understanding. When such situations arise, NPS will be required to issue guidelines to implementing units to ensure uniformity of implementation across counties so that information generated can be aggregated and analyzed.
4. **Status reports** – These reports are intended to provide critical feedbacks and updates on Programme implementation and public relations quarterly, bi-annually and annually. The reports will be tailored for consumption by internal Programme staff or external stakeholders and will be particularly useful in managing stakeholder expectations. Some of the issues that the reports will cover are key achievements, challenges and lessons learnt during implementation, VCD progress, funds’ utilization and complaints’ handling. Table 7 provides reporting and feedback timelines.

**Table 7: Reporting and feedback timelines**

Type of report	By who	Time of reporting	Feedback
Monthly reports	CPS	10 <sup>th</sup> of the succeeding month	15 <sup>th</sup> of the succeeding month
Quarterly reports	CPS , NPS	15 <sup>th</sup> of the succeeding month	25 <sup>th</sup> of the succeeding month
Biannual report/annual report	NPS	20 <sup>th</sup> July and 20 <sup>th</sup> January	10 <sup>th</sup> of August and February

#### 5.2.4 Flow of reports and feedback

CPS will produce quarterly reports which will be approved by CASCOM and shared with NPS. NPS on the other hand, will produce own report as well as aggregate county reports into one national report that will be presented to JASCOM for review and concurrence before approval by JASSCOM. The report finally approved by JASSCOM will be sent back to NPS. Reports to Sida and EU will be submitted as provided for in the programme agreement (Figure 3).



**Figure 3: Flow of reports and feedback**

### 5.3 Communication

The objective of communication is to transfer information from the sender to the receiver. Communication entails informing, empowering, advocacy and social mobilization for a collective goal. It provides a feedback loop to inform the sender that the message sent was understood by the receiver (Annex 12). It will enable stakeholders to create and share information on the Programme’s implementation in order to develop value chains and realize commercialization of agriculture.

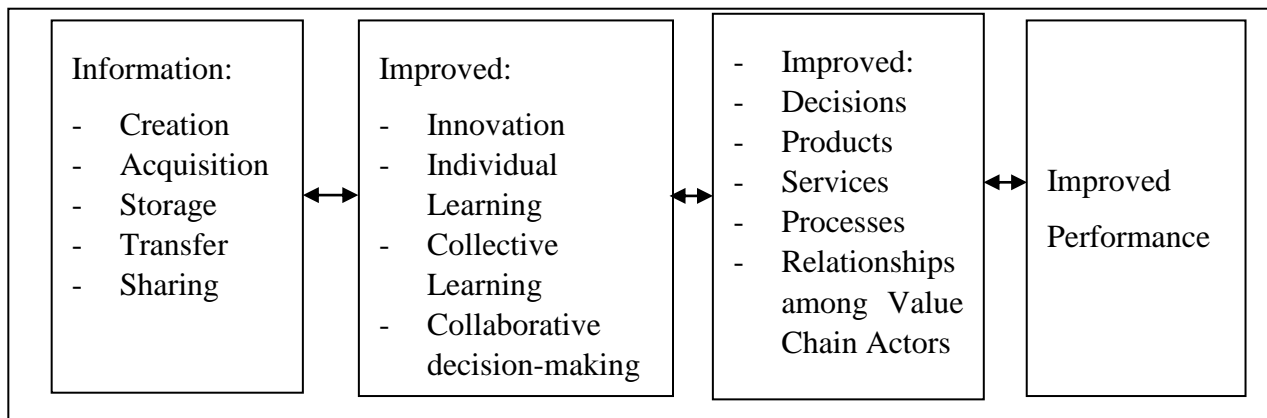
In ASDP II, the objectives of communication will be to:

- Convey progress in implementation of the Programme and achievements realized. This will be particularly useful to external stakeholders who may want to upscale or replicate Programme interventions;
- Manage internal and external stakeholder expectations of the Programme;

- Encourage all implementing units to perceive themselves as parts of the Programme;
- Share information on the Programme’s implementation and lessons learnt as part of transparency and accountability.

The frequency of communicated messages will depend on the intended audience, content and channels of communication chosen. ASDSP II website will be particularly useful to external stakeholders in getting information on the Programme implementation.

ASDSP II will use the Communication Guidelines to review the existing communication system in order to enhance effective Programme implementation. The system will be anchored on information processing, storage, retrieval and sharing. The system will catalyze technology transfer and up-scaling by enhancing awareness creation and learning. It will enhance building consensus, strengthen partnerships and support participation of all Value Chain Actors (Figure 4). CPSs are expected to develop communication plans for the Programme in their respective counties within year one of implementation. Priorities of a communication plan include sharing information; influencing policy change; engaging and mobilizing stakeholders and enhancing Programme operations.



**Figure 4: Conceptual framework for communication in ASDSP II**

**Source:** Adapted from, Knowledge Management and Organizational Learning by William R. King (2009) Katz Graduate School of Business, University of Pittsburgh.

#### 5.4 Audience analysis information needs

Different audiences require different message styles. It is therefore imperative that messages are tailored to the specific audience or audiences who are targeted. Understanding what your audience needs and expects and adapting your messages accordingly greatly enhances your chances of communicating successfully.

Tailoring the message requires a good understanding of the audience. This may include reviewing the information you already have about your audience or audiences and possibly gathering more about whatever group you are trying to reach. Audience analysis will entail examination of your

target group's level of understanding about whatever you need them to be informed about and any relevant physical, behavioral and demographic characteristics they might possess.

Knowing what communication channel to use will help in reaching the right audience at the right time with the right information. A framework that could be used to undertake audience analysis information needs is illustrated in Annex 13.

## 6. FINANCING AND FINANCIAL MANAGEMENT

### 6.1 Programme financing

Agricultural value chain development requires a multi-sectoral approach to address the challenges of productivity, entrepreneurial skills, market access linkages and capacity needs for coordination. The design of the programme is that it foresees a need to provide for partnerships in financing of the interventions. There will be two main avenues for programme financing, core financing and leverage financing. These two funds will support programme activities across the four result areas including grants.

#### 6.1.1 Core financing

This is the main source of the programme financing and will provide the bulk of the financial resources required to deliver on the project purpose within five years. This financing is composed of the development partner grants (Sida and EU) of KES 3.6bn and GOK (National and 47 Counties) grants of KES 2.092bn. In addition to the cash contribution, the Kenya government through the national and county governments will invest over KES 1.9bn in human resource, transport, office accommodation and office equipment (Table 8). The total combined costs of ASDSP II are estimated at KES 7.593bn.

**Table 8: Consolidated Programme cost and financing**

Budget source	Type of contribution	KES	SEK
			(Swedish Krona )
National government	Cash	800,000,000*	80,000,000
County governments	Cash	1,292,500,000**	129,250,000
Government of Sweden (GoS)	Cash	3,000,000,000	300,000,000
European Union	Cash	600,000,000	60,000,000
<b>Total Cash contribution</b>		<b>5,692,500,000</b>	<b>569,250,000</b>
National and county governments	In kind***	1,900,970,520	190,097,052
<b>Totals</b>		<b>7,593,470,520</b>	<b>759,347,052</b>



\*160 million per year; \*\*5.5 million per year per county; \*\*\* for human resource, office transport, office accommodation and office equipment (of which 85% is from county government)

### **6.1.2 Leverage financing**

In addition to financing from DPs and GOK, the programme will seek additional financing from other programmes and business entities undertaking value chain development and coordination activities in the sector. At design time, this financing is not known but from lessons learnt during ASDSP I, partners invested their finances to support interventions that were relevant to their mandates. The programme was able to leverage additional finances that went a long way in supporting the interventions that led to the achievement of the outputs and outcomes. During phase II, the programme will leverage the core funds to access additional financing from other stakeholders especially programmes in the sector as well as those outside the sector but relevant, and from private sector/business sector actors. Such financing shall be managed through the “Extended Concept Approach” whose guidelines will be developed during the first three months of the programme. Under the extended concepts, CPS will partially or wholly facilitate implementation of approved concepts or proposals developed through a participatory process. The concepts shall meet certain minimum eligibility criteria as mentioned below:

- Application must be made by groups directly involved in VC activities, groups of organizations or institutions, preferably VCPs; supporters of activities that relate to ASDSP II four result areas, for example a university; implementing agencies and potential partners under ASDSP II results framework;
- Applications must address issues relevant to ASDSP II and be drawn from the value chain action plan done in a participatory manner by VCPs;
- Applications should indicate Partners, their roles and financial contributions or otherwise. The Programme’s role remains to provide capacity skills (software) while others are free to provide hard capacities (hardware)
- Interventions in the concept must be relevant to mandates of the applicant and should synergize the initial work of aggregating VCAs into groups;
- The concepts must also address product value addition initiatives, market demands and green growth as well as the women and youth.

Although a guideline will be adapted from ASDSP I to guide the process of developing new proposals or concepts, the concepts must address the following core areas: What is proposed to be done; by whom and when; the output or outcome indicators it will contribute to; how will it be done and at what cost and who will finance what part of the intervention. Concepts submitted at the CPS will be vetted by the county government, private sector, civil society and the CPS. Those submitted

at the NPS will be vetted by the Department of Cooperatives and the three MOALF&I State Departments, NEMA, KAAA, NPS and national level umbrella VCP.

The following disbursement modes will be used to channel funds for the implementation of the extended concepts:

- i. **Channel mode 1 - comprising County government departments or government institutions:** advance cash transfer to organisation’s general bank accounts as per the disbursement plan in the MoU or an imprest in line with the disbursement plan in the MoU;
- ii. **Channel mode 2 - for large NGOs or International NGOs:** advance cash transfer to organization’s general bank accounts for large entities with strong financial management controls as per the disbursement plan in the MoU or for entities with moderate financial management controls, advance cash transfer to organization’s specific bank accounts as per the disbursement plan in the MoU.
- iii. **Channel mode 3 - CBOs, FBOs, Self-help groups, small NGOs:** entities with weak financial controls, without bank accounts and formal governance structures will use either of the following or a hybrid of both: imprest system with the CPS taking and managing the imprest for direct disbursement to participants or payment

### 6.1.3 Budget Distribution by result areas

About 72% of the core funds will support Value Chain Development result areas 1-3 out of the total cash budget of KES 5.692bn (Table 9).

**Table 9: Result area annual budget distribution (KES ‘millions)**

Outcome area	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	Sida /EU	Nat .	Coun ties	Total	%
Productivity of priority VCs increased	271	373	520	523	243	1488	0	442	1930	34
Entrepreneurial skills of VCAs strengthened	297	306	340	343	378	1314	0	350	1664	29
Access to markets by VCAs improved	16	107	143	144	88	198	200	100	498	9

Structures and capacities for coordination in the sector strengthened	308	382	373	364	173	600	600	400	1600	28
Total	892	1168	1376	1374	882	3600	800	1292	5692	100

At the Programme output level, budget for each output in the 5-year period is indicated in Table 10.

**Table 10: Programme outputs' budget**

Outcome area	Output	Budget KES ('000)
Productivity of priority VCs increased	Outputs1.1 capacity of existing service providers on identified opportunities enhanced	579,021
	Output 1.2 Value chain Innovations on identified opportunities promoted	1,158,042
	Output 1.3climate smart agriculture interventions, practices and technologies for VC enhanced	193,007
	Total	<b>1,930,070</b>
Entrepreneurial skills of VCAs strengthened	Output 2.1Entrepreneurial skills VCAs including service providers enhanced	1,664,860
	Total	<b>1,664,860</b>
Access to markets by VCAs improved	3.1 Market access linkage for priority VCAs improved	99,514
	3.2.Access to market information by VCAs improved	298,542
	3.3. Access to VC financial services by VCAs improved	99,514
	Total	<b>497,570</b>
Structures and capacities for coordination in the sector strengthened	4.1. Initiatives for establishment of the structures for consultation and coordination supported	240,000
	4.2. Capacities of the established structures for consultation and coordination enhanced	640,000
	4.3. Participation of stakeholders in consultation and coordination structures enhanced	480,000
	4.4 Sector policies, strategies, regulations and plans prepared	240,000

	and launched	
	Total	<b>1,600,000</b>
<b>Grand total</b>		<b>5,692,500</b>

#### **6.1.4 Distribution by implementing units**

The Programme will have 48 implementing units: NPS and the 47 CPSs; 80% of the Programme funds will be spent at the county level across the four result areas. The national budget accounting for 20% will be used to support consultation, cooperation and coordination structures, M&E, auditing, technical assistance services, capacity building and strategic linkages. County allocation will be based on the following parameters adapted from the CRA formula for revenue allocation to county governments.

- a) Equal share - 80% of the total county allocations
- b) Population - 60% of 20% of the total county allocations (12%)
- c) Poverty Index- 30% of the 20% of the total county allocations (6%)
- d) Geographical area - 10% of the 20% of the total county allocations (2%)

ASDSP II will apply an open funding structure to allow the national government, county governments, GoS and EU and interested DPs to co-finance it. Funds will be managed through the established government financial management and accounting system. The 5 year ASDSP II budget and annual budget preparation and reporting process will follow the work planning and budgeting process detailed in section 5.1.2.

#### **6.2 ASDSP II finance management framework**

MOALF&I and the county department responsible for agricultural matters will hold the fiduciary responsibility for ASDSP II. The Principal Secretary (PS) State Department for Crops and the county Chief Officer (CO), both designated as the delegated accounting officers, will be responsible on behalf of MOALF&I and the county department responsible for agricultural matters for all ASDSP II funds.

Disbursement of funds will be in tandem with the Agreement between GoK and GoS as well as the MoU on ASDSP II finances between MOALF&I and County Governments. The national and county Programme Secretariats will be responsible for the day-to-day management of the Programme funds at both levels of government. The County Programme Secretariat (CPS) will make financial reports to the relevant county technical committee of the Sector coordination mechanism and directly to NPS. Utilization of funds at both levels will be based on agreed annual work plans.

The accountant attached to each of the implementing units will have overall responsibility for disbursement and accounting matters related to ASDSP II. The accountant will ensure that accounting procedures are in accordance with existing Government of Kenya financial regulations and ASDSP II finance and procurement guidelines. The Accounting Officers at both levels of government as well as the Programme Coordinators will be held accountable for ASDSP II funds.

### 6.2.1 Integrity

In accordance with Kenyan Law and the Code of Conduct for agricultural and rural development sector support, persons engaged in the management and implementation of ASDSP II activities are prohibited from engaging in any form of business dealing with programme and corruption practices. Any such practice will result in legal action involving stoppage of funding, investigation and prosecution in accordance with applicable laws as well as immediate termination of the concerned activity by GoK and Development Partners. Integrity statements will form part of all partnering agreements and procurement contracts involving ASDSP II funding.

### 6.2.2 Specific activity finance management provisions

**a) *General standards for activity finance management:*** ASDSP II and collaborating GoK agencies and non-state partners using Programme funds will follow standard GoK accounting principles for financial management of ASDSP II activities and retain all original receipts, bank statements and other supporting documents. The Programme will apply GoK cost norms for its operations unless otherwise explicitly agreed by the financing agreement partners. ASDSP II and activity financial management will follow provisions included in the *ASDSP II Activity Finance Management Instructions* which is issued as a separate document.

**b) *Transfer of funds for Programme and activity implementation:*** The PS State Department of Agriculture, designated as the Accounting Officer, will have fiduciary responsibility for all ASDSP II funds at the national level while the CO in the department responsible for agricultural matters will have this responsibility at the county level. This implies that ASDSP II estimates will be forwarded as part of the national or county development estimates to the Ministry or Department of Finance respectively for onward submission to and approval by Parliament and County Assemblies.

**c) *Requisition of funds:*** MOALF&I will be requisition funds from GoS through the National Treasury. Funds from Sida and EU will be reflected in the official GoK budgeting system. Funds will be provided twice annually and deposited in a special Paymaster General's Account which will be opened for ASDSP II at the Central Bank of Kenya immediately the specific agreement on programme financing is signed. GoK funds (national and county) to ASDSP II will be channeled twice annually from the National Treasury to MOALF&I and county treasury accounts opened for ASDSP II. The annual disbursed amount will be as outlined in Annex 9. NPS will open a special Programme account immediately the specific agreement is signed to facilitate funds disbursement from the National Treasury through the MOALF&I.

CPSs will also open special programme accounts immediately the specific agreement is signed in order to facilitate transfer of funds from the National Treasury through the county treasuries. All the monies for Programme implementation shall be drawn **only** from the NPS and CPS special programme accounts. Approvals for opening of accounts and signatories will be done by the COs in charge of respective county treasuries at the county level while the same will be done by the PS-Treasury at the national level.

Grant requests from the National Treasury by MOALF&I and county treasuries will be accompanied by progress and financial reports documenting the use of previous disbursements. Requisition of funds will be based on the agreed and approved national and county specific activity-based work plans and budgets. MOALF&I and implementing county governments will credit counterpart funds to respective Programme accounts twice a year as a condition for disbursement of Programme funds from GoS. This shall be in accordance with the Agreement between GoK and GoS and the MoU between MOALF&I and County Governments. Any other conditions for disbursement of funds to the national and county government accounts shall be agreed upon by the financing partners' agreements.

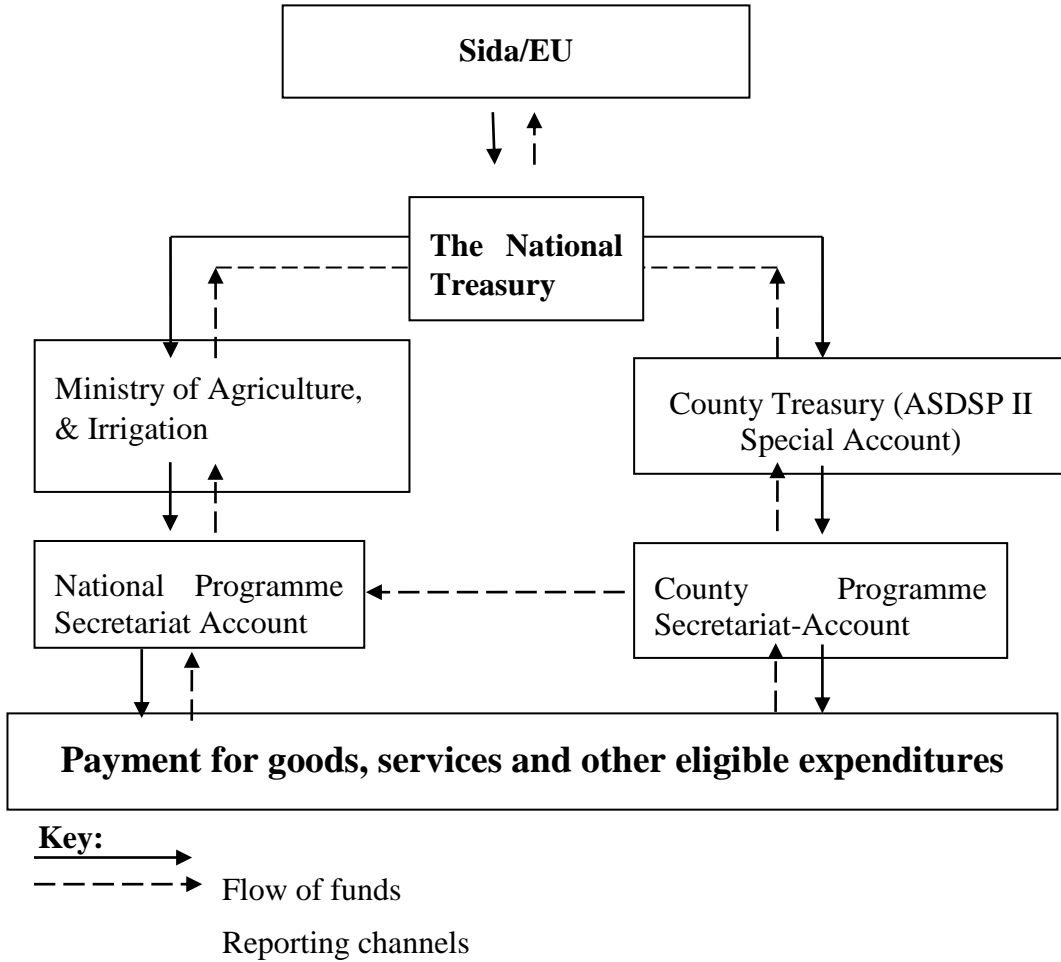
The Accounting officer SDC will issue Authority to Incur Expenditures (AIEs) to the NPS Programme Coordinator while the CO in charge of county treasury will issue AIEs to CPS Programme Coordinator bi-annually based on Annual Work Plan and Budgets. These AIEs shall be distributed not later than July and January in the implementing year. Funds will be channeled towards agreed Programme activities either under direct management by the CPSs or NPS through service contracts with competitively identified service providers or under cooperation agreements with partner agencies.

Other implementing partners will enter into contractual agreements on condition that funds channeled under such partner collaboration agreements will be paid from the respective units' accounts and must comply with agreed financial regulations. NPS and CPSs (coordinators) jointly with their respective accountants and auditors will have the responsibility of accounting for funds allocated to their stations. ASDSP II financial flows are summarized in Figure 3. Funds once received will be spent on the activities contained in the approved annual work plans and budgets.

Financial rules of engagement shall be adhered to by both the national and county governments as well as Development Partners in order to expedite efficient and effective Programme implementation. Failure to follow the rules shall lead to non-disbursement of funds until a solution is arbitrated by the relevant oversight authority, JASSCOM or CASCOC.

- e) **Financial reporting:** The Programme secretariats at the counties and the national level will account for funds disbursed through the normal accounting structures. CPSs will provide expenditure returns to the National Treasury through the line county department and county treasury. Returns will be copied to NPS to enable compilation of a national report (Figure 5). Similarly, the National Programme Secretariat will file returns through the line Ministry. Semi-annual and annual reports will also include a section on the statement of programme finance. Where DPs have disbursed funds directly to the Programme secretariats, the

secretariats will report directly to DPs. A copy of such reports will be sent to the National Treasury through the line Ministry in respect of the national secretariat and through county treasuries in respect of county secretariats.



**Figure 5: Financial reporting**

### 6.3 Procurement

All Programme implementing units will adopt the Public Procurement and Assets Disposal Act, 2015 while undertaking procurement processes for sourcing of goods and services. The Act will be supplemented by Procurement Manuals as guided by the Public Procurement and Oversight Authority (PPOA) and periodic Circulars issued by the National Treasury.

Procurement committees will be constituted as stipulated in the Act in every spending unit to oversee the procurement process. Spending units will comply with Sida and EU requests for procurement documents for audit review. Goods and services shall be sourced from reputable sources at prevailing market rates. NPS and CPS will be responsible for procurement of services at their levels of implementation. Procurement units will prepare annual procurement plans and periodic reports of procurement as guided by templates in the detailed *ASDSP II Finance and Procurement Guideline*.

Procurements will entail purchase of resources such as stationery; ICT equipment; vehicles; services for conducting case and special studies; goods and services for innovations and attendant capacity building appertaining to improved productivity, environmental resilience, market access and entrepreneurial aspects along the priority Value Chains. As outlined in the Guideline, the key principles that govern procurement are:

1. Strict compliance with the legal and regulatory framework
2. Achievement of economy and efficiency in the delivery of service
3. Promotion of value for money through effective competition and careful Procurement planning
4. Balancing between the levels of control necessary to mitigate against risk of administrative burden and delay;
5. Separation of authority between procurement initiation, vendor selection, commitment, and receipt inspection and acceptance of procured objects
6. Promotion of sound Public Finance Management through appropriate recognition and management of linkages of procurement to other areas of Public Finance Management such as budget preparation, budget execution, finance, accounts and audit.
7. Ensuring fairness and equity and avoiding discrimination in the invitation, evaluation and award of procurement contracts.
8. Observance of ethics in all aspects of procurement and ensuring procurement practice is devoid of actual or perceived corruption
9. Promotion of transparency and accountability in the whole Procurement and Disposal Process
10. Promotion of health and safety standards as well as environmental protection;
11. Strict adherence to the use of appropriate documentation for all steps of complete procurement and disposal cycles and maintaining a comprehensive record of procurement transactions



In the procurement process, ASDSP II will assign responsibility as follows:

1. NPS and CPSs will be responsible for procurement of services at their various levels of coordination.
2. The short and long term technical assistance and consultancy will be procured centrally by MOALF&I/NPS based on the PPDA.
3. Procurement of services, works and goods for Programme management and implementation for Value Chain Development will, as a general rule, be done by the implementing agents under supervision by CPSs.
4. In case of ASDSP II sponsored procurement by partner agencies in the context of partnership agreements governed by a signed collaboration MoU or a similar contractual arrangement, the procurement system of the concerned partner agency may be applied if it adheres to the general standards of ASDSP II procurement system
5. In tandem with financing agreement, Draft terms and reference, MOUs and contracts for the major programme procurements will be shared with Sweden for a no-objection before procurement is undertaken.
6. All procurement units including partners undertaking procurement as stipulated above will prepare periodic reports on procurement as guided by templates in the detailed ASDSP II Administration Manual. CPSs will compile reports from their own units and submit to NPS for programme level compilation.

### **6.3.1 Ethics**

All procurement and disposal shall be carried out in accordance with the Code of Ethics that may from time to time be specified by the Public Procurement Regulatory Authority (PPRA). Any officer or institution carrying out procurement in contravention of the provisions of the Act such as avoiding the use of a procurement procedure, inappropriate influence of an evaluation, fraudulent practices, obstruction of duty or function under the Act will be guilty of an offence under the Public Procurement and Disposal Act and will be liable for conviction. The programme coordination will establish complaint mechanism by establishing boxes where complainants can deposit their views regarding procurement. The TA procurement and logistic specialist will vet these complains and compile a report to the respective coordinators for action.

### **6.4 Audit**

The aim of auditing is to enhance efficiency in finance management and will be accomplished through a system of internal, external and rolling audits on agreed dates. The latter should be in tandem with the M&E reporting cycle i.e. 30 days after end of every quarter. All audit queries must be responded within the time period agreed between the auditor and the AIE holder of the station under audit. The response to audit queries shall be copied to the National Programme Coordinator.

#### **6.4.1 Internal and external audit**

Regular internal audits will be conducted by auditing units within the MOALF&I and the county finance and planning departments. The responsibility for annual external audit of GoK and donor funds will be vested in the Auditor General's Office (AOG) and a reputable private audit firm procured by MOALF&I in consultation with JASSCOM and GoS.

#### **6.4.2 Rolling audit**

Besides the regular auditing of Programme accounts and financial reports, a system of rolling audits of the NPS and CPS expenditures, other assigned tasks and other funds provided under the Programme will be carried out semi-annually to verify reporting of expenditure and activities carried out. The audited reports will be submitted to ASDSP II CASCOM, NPS, JASCCOM and Sida within 30 working days after the exit meeting. The objective of the rolling audit will be twofold:

1. To financially review and follow-up on the utilization of funds that will be disbursed to the 48 ASDSP II spending units during the implementation period, December 2017 to December 2022.
2. Monitor and follow-up Programme resources including human and other assets.

Specifically, the Rolling Audit will be expected to cover the following areas:

1. Regular independent financial appraisals of the Programme;
2. Review the risk management policy frame work;
3. Flag out potential financial problems up-front;
4. Conduct value for money reviews;
5. Track disbursement of funds from the sources to spending units;
6. Review and establish whether expected outputs from specific activities have been accomplished;
7. Assess the efficiency and effectiveness of the Programme human resource capacity at all levels of implementation;
8. Assess and review the effectiveness and efficiency in the use of Programme assets at all levels of implementation.

The rolling audit missions will end with a briefing meeting on preliminary findings with respective CPS and NPS coordinator. The outcome of this meeting is the response on the issues that arose from the rolling audit.

#### **6.4.3 Procurement of rolling audit services**

This will be carried out by MOALF&I in line with the Public Procurement and Assets Disposal Act, 2015. Specifications as well as technical inputs during evaluation of the bids will be provided by NPS. Procurement guidelines of Sida including the Specific Agreement for the implementation of ASDSP II and other development partners will act as reference documents where applicable. Terms of reference for the procurement of rolling audit services will be shared with Sweden. Sweden will be asked to second a procurement advisor during the evaluation of procurement bids.

## 6.5 Management of assets and non-financial resources

All Programme assets and other non-financial resources including motor vehicles, motor cycles, ICT equipment like computers and overhead projectors and furniture will be used in accordance with the Public Procurement and Assets Disposal Act, 2015 and the Specific Agreements between MOALF&I and county governments on the one hand and GoK and GoS on the other hand.

## ANNEXES

Annex1: ASDSP 11 M&E framework

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
<b>Programme goal</b>							
To transform crop, livestock and fisheries production into commercially oriented enterprises that ensures sustainable food and nutrition security	Increase in agricultural sector contribution to GDP	Agricultural sector GDP	Economic survey, economic review of agriculture	To be established		At start and end of Phase II	Value chain platforms(VCPs ) County Programme secretariat(CPS) National Programme Secretariat (NPS)
		National GDP in KES					
	Rural poverty of male and female population reduced by 10% to 37.2% by 2023.	Rural poverty of male and female population	Kenya National Bureau of Statistics(KNBS)			At start and end of Phase II	
% reduction in chronically food insecure households	No Chronically food insecure households by gender <sup>8</sup> and age <sup>9</sup>	KNBS		At start and end of Phase II			

<sup>8</sup> disaggregate nos. into adult male, adult female and youth females and youth males

<sup>9</sup> Age categories : (i) 18-24;(ii) 25-35;(iii) 36-55;(iv)56-65;(v) over 65 years

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	% increase in on-farm and off-farm employment by gender <sup>10</sup> and age	On-farm employment by gender and age	KNBS	To be established		At start and end of Phase II	
	% increase off-farm employment	Off-farm employment by gender and age	KNBS			At start and end of Phase II	
<b>Programme Purpose</b>							
<b>To Develop Sustainable Priority Value Chains for Improved Income, Food and Nutrition</b>	% change in gross margins GMs of VCAs by gender	Gross margin of value chain actors by gender age and VC node <sup>11</sup>	Baseline survey at start, survey at midterm and end of term	To be established		At start and end of Phase II	
	VCAs level of satisfaction with share of revenue	Satisfaction level of VCAs by gender and age and VC node	Baseline survey at start, survey at midterm and end of term.			At start and end of Phase II	

<sup>11</sup> Value chain nodes: agro producer, input dealer, trader, processors and transporters along the chain

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
<b>Programme Outcomes</b>							
Outcome1: Productivity of priority VCs increased	1.1 % increase in VCAs utilization of service providers	VCAs(by node) stating utilizing services of providers	Baseline survey at start, survey at midterm and end of term		Use ASDSP baseline	At start, mid and end term of programme	
	1.2 % Reduction in VCAs' post production losses	Reduction in VCAs' post production losses	Baseline survey at start, survey at midterm and end of term	To be established		At start, mid and end term of programme	
Outcome 2: Entrepreneurship of priority VCAs strengthened/enhanced	2.1 Increase in number and diversity of BPs implemented	No of VC actors implementing viable business plans, by gender and age	Baseline survey at start, survey at midterm and end of term			At start, mid and end term of programme	
	Increase in number and diversity of BPs implemented	No of Viable BPs implemented	Baseline survey at start, survey at midterm and end of term			At start, mid and end term of programme	
Outcome 3: Access to markets by priority VCAs improved	Increase in number of VCAs accessing markets by gender	No of VCAs accessing market by gender and age	Baseline survey at start, survey at midterm and end of term			At start, mid and end term of programme	

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	% increase in number of market segments	No and types of market segments	Baseline survey at start, survey at midterm and end of term			At start, mid and end term of programme	
	% increase in handling capacity of the market segment	Handling capacity of the market segment(kg/lits)	Baseline survey at start, survey at midterm and end of term			At start, mid and end term of programme	
						At start, mid and end term of programme	
Outcome 4: Structures and capacities for consultation and coordination in the sector strengthened	Number of gender sensitive policies, regulations formulated/reviewed and implemented	No of policies implemented	Baseline survey at start, survey at midterm and end of term	To be established		At start, mid and end term of programme	
		No. of strategies implemented					

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
		No of policies regulation implemented				At start, mid and end term of programme	
	% of VCAs satisfied with structures by gender	No of VCAs satisfied with the structures by gender and age				At start, mid and end term of programme	
<b>Outputs</b>							
Output objective	Indicators	Required information	Data source	Baseline	Target	Frequency of data collection	Responsibility
<b>Outputs1.1:</b> Capacity Knowledge enhancement of existing service providers on identified opportunities enhanced	No. of opportunities identified per VC	Opportunities identified by type and VC node	Data tool Survey, periodic reports, M&E reports, MIS			mid and end of Financial year	VCPs, CPS, NPS
	No. of service providers trained on identified opportunities per VC by gender	No of private Service providers trained per value chain	Survey, periodic reports, M&E reports, MIS			mid and end of Financial year	



Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
		No of public Service providers trained per value chain				mid and end of Financial year	
<b>Output 1.2:</b> Value chain Innovations with high prospects for women and youth empowerment supported	No and type of value chain innovations promoted	No and types of Innovations promoted	Survey, periodic reports, M&E reports, MIS			mid and end of Financial year	VCGs, VCPs, CPS, NPS
	No of value chain innovations implemented	No and type of Innovations implemented	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	VCGs, VCPs, CPS, NPS
	No of VCAs taking up innovations	No of VCAs taking up innovations by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	VCGs, VCPs, CPS, NPS
<b>Output 1.3:</b> Climate smart agriculture interventions, practice and technologies for	Number of climate smart technologies promoted	No and type of Climate smart technologies promoted	Survey, periodic reports, M&E reports ,MIS	0		mid and end of Financial year	VCGs, VCPs, CPS, NPS

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
value chains enhanced	No and type of CSA technologies in use	No and types of Climate smart technologies in use	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	VCGs, VCPs, CPS, NPS
	Number of VCAs using climate smart technologies by gender	VCAs using climate smart technologies by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	VCGs, VCPs, CPS, NPS
<b>Output 2.1:</b> Entrepreneurial skills for VCAs including service providers enhanced	No. of Service Providers trained on entrepreneurial skills	No of private Service Providers trained	Survey, periodic reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
		No of public Service Providers trained				mid and end of Financial year	
	No of VCAs with viable Business Plans	VCAs with Viable Business Plans by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	No of Business Plans implemented	Viable Business Plans implemented	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output: 3.1:</b> Market access linkage for priority VCAs improved	No. of VCA groups aggregated	VCA groups aggregated	Survey, periodic reports, M&E reports, MIS			mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	No. of market linkage instruments signed and operational	Market linkage instruments operational	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output:3.2:</b> Access to market information by VCAs improved	No. of market information providers supported	Market information providers supported	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	No. and type of information provided	Types of market Information provided	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	No of VCAs using market information by gender	VCAs using market information by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output 3.3:</b> Access to VC financial services by VCAs improved	Number VCAs accessing financial services	VCAs accessing financial services by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Volume of financial services accessed by VCAs and by type	Amount lent to agricultural value chains Volume of financial services accessed by VCAs by gender and age	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output 4.1:</b> Initiatives for establishment of the structures e.g. JAS/JASCOM for consultation and coordination supported	Number and types of steering, coordination and management structures in place	Types Steering, coordination and management structures put in place	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	Number of structures with operational procedures and guidelines at various level	Types of structures with operational procedures and guidelines	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output 4.2:</b> Capacities of the established structures for consultation and coordination enhanced	No. of structures with operational instruments/ work plan	Types of Structures with operational instruments/ work plan	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	% achievement of operational instruments implementation	Operational instruments implementation achieved	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
<b>Output 4.3:</b> Participation of stakeholders in consultation and coordination structures enhanced	No. of stakeholders participating in coordination and consultation structures	Categories of Stakeholders participating in coordination and consultation structures	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	No of operational partnerships	Types of Operational partnerships in place	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	% level of satisfaction of STH in the participation of coordination	No. and categories of Stakeholders participating in coordination and consultation structures	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
						mid and end of Financial year	
		No. and categories of Stakeholders satisfied with coordination and consultation structures				mid and end of Financial year	
<b>Output 4.4:</b> Sector policies, strategies, regulations and plans prepared and launched	Number of policies and strategies inventorized	No. of Policies inventorized by subsector(crop, livestock ,fisheries)	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Number of strategies inventorized	No. of Strategies inventorized by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	Number of plans inventorized	Plans inventorized by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Number of regulations inventorized	Regulations inventorized by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Policies launched and rolled out	Policies launched and rolled out by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Strategies launched and rolled out	Strategies launched and rolled out by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,
	Plans launched and rolled out	Plans launched and rolled out by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

Result levels	Indicators	Required information	Data source	Baseline	*Targets	Frequency of data collection	Responsibility
	Regulations launched and rolled out	Regulations launched and rolled out by subsector	Survey, periodic reports, M&E reports, MIS	0		mid and end of Financial year	CPS, NPS, CASCOMs, VCPs,

*\*Targets to be set after consultations between NPS and CPSs*



**Annex 2: ASDSP 11 BUDGET 2017-2022 –DISTRIBUTIONS in KES**

<b>STATION</b>	<b>SIDA&amp;EU</b>	<b>COUNTY</b>	<b>MoALF&amp;I</b>	<b>TOTAL</b>
Baringo	55,288,227	27,500,000	12,500,000	<b>95,288,227</b>
Bomet	54,721,832	27,500,000	12,500,000	<b>94,721,832</b>
Bungoma	59,380,304	27,500,000	12,500,000	<b>99,380,304</b>
Busia	57,524,851	27,500,000	12,500,000	<b>97,524,851</b>
Elgeyo-Marakwet	52,109,073	27,500,000	12,500,000	<b>92,109,073</b>
Embu	48,061,562	27,500,000	12,500,000	<b>88,061,562</b>
Garissa	65,066,727	27,500,000	12,500,000	<b>105,066,727</b>
Homabay	56,193,344	27,500,000	12,500,000	<b>96,193,344</b>
Isiolo	58,468,373	27,500,000	12,500,000	<b>98,468,373</b>
Kajiado	54,286,361	27,500,000	12,500,000	<b>94,286,361</b>
Kakamega	62,705,720	27,500,000	12,500,000	<b>102,705,720</b>
Kericho	51,384,972	27,500,000	12,500,000	<b>91,384,972</b>
Kiambu	54,680,731	27,500,000	12,500,000	<b>94,680,731</b>
Kilifi	62,412,316	27,500,000	12,500,000	<b>102,412,316</b>
Kirinyaga	45,045,022	27,500,000	12,500,000	<b>85,045,022</b>
Kisii	58,425,511	27,500,000	12,500,000	<b>98,425,511</b>
Kisumu	53,430,757	27,500,000	12,500,000	<b>93,430,757</b>
Kitui	64,643,224	27,500,000	12,500,000	<b>104,643,224</b>
Kwale	61,162,108	27,500,000	12,500,000	<b>101,162,108</b>
Laikipia	52,084,074	27,500,000	12,500,000	<b>92,084,074</b>
Lamu	44,219,988	27,500,000	12,500,000	<b>84,219,988</b>
Machakos	56,232,211	27,500,000	12,500,000	<b>96,232,211</b>
Makueni	60,170,449	27,500,000	12,500,000	<b>100,170,449</b>
Mandera	72,740,241	27,500,000	12,500,000	<b>112,740,241</b>

Marsabit	71,553,959	27,500,000	12,500,000	<b>111,553,959</b>
Meru	55,250,697	27,500,000	12,500,000	<b>95,250,697</b>
Migori	56,018,239	27,500,000	12,500,000	<b>96,018,239</b>
Mombasa	51,249,875	27,500,000	12,500,000	<b>91,249,875</b>
Muranga	51,230,175	27,500,000	12,500,000	<b>91,230,175</b>
Nairobi	67,279,467	27,500,000	12,500,000	<b>107,279,467</b>
Nakuru	58,358,336	27,500,000	12,500,000	<b>98,358,336</b>
Nandi	51,690,617	27,500,000	12,500,000	<b>91,690,617</b>
Narok	55,977,450	27,500,000	12,500,000	<b>95,977,450</b>
Nyamira	53,125,179	27,500,000	12,500,000	<b>93,125,179</b>
Nyandarua	49,957,864	27,500,000	12,500,000	<b>89,957,864</b>
Nyeri	47,292,861	27,500,000	12,500,000	<b>87,292,861</b>
Samburu	59,981,064	27,500,000	12,500,000	<b>99,981,064</b>
Siaya	51,872,798	27,500,000	12,500,000	<b>91,872,798</b>
TaitaTaveta	53,534,620	27,500,000	12,500,000	<b>93,534,620</b>
Tana River	64,529,555	27,500,000	12,500,000	<b>104,529,555</b>
Tharaka-Nithi	48,393,632	27,500,000	12,500,000	<b>88,393,632</b>
Trans Nzoia	52,562,712	27,500,000	12,500,000	<b>92,562,712</b>
Turkana	81,155,884	27,500,000	12,500,000	<b>121,155,884</b>
Uasingishu	51,104,293	27,500,000	12,500,000	<b>91,104,293</b>
Vihiga	49,080,877	27,500,000	12,500,000	<b>89,080,877</b>
Wajir	75,161,643	27,500,000	12,500,000	<b>115,161,643</b>
West Pokot	58,621,025	27,500,000	12,500,000	<b>98,621,025</b>
<b>County Total</b>	<b>2,675,420,800</b>	<b>1,292,500,000</b>	<b>587,500,000</b>	<b>4,555,420,800</b>
<b>NPS budget</b>	<b>924,579,200</b>	<b>0</b>	<b>212,500,000</b>	<b>1,137,079,200</b>
<b>Total budget</b>	<b>3,600,000,000</b>	<b>1,292,500,000</b>	<b>800,000,000</b>	<b>5,692,500,000</b>

**Annex 3: Programme communication framework /Audience analysis and information needs**

<b>Audience</b>	<b>Reason for information need on the programme?</b>	<b>Information required</b>	<b>Communication channel</b>
1. Value chain actors	Implementation, Knowledge and information, Accountability, evaluation	Programme activities, Expected benefits, Phase I achievements, Innovations, weather advisories, possible collaborators	Posters, Websites, brochures, print and electronic media exhibition, conferences, special launches, flyers, brochures
2. General public	For participation, government accountability, support, information and knowledge	Programme activities, Expected benefits, Phase I achievements, Innovations, Weather advisories	Posters, Websites, brochures, print and electronic media, notice boards, exhibitions, flyers, press conferences, talks shows
3. ASDSP II county and national staff	For implementation, dissemination, M&E, benchmarking	Programme activities, processes and components, expected results, lessons learnt, innovations budget, funding source, possible collaborators	Project document, Work-plan and budget report, progress and M&E reports, case studies, conferences, workshops, meetings, whatsApp
4. Development partners	For funding, sharing, accountability to their governments, evaluations, benchmarking	Programme budget, processes, activities, expected results, funding source	Work-plan and budget reports, Websites, programme document, Evaluation, Progress reports, case studies

<b>Audience</b>	<b>Reason for information need on the programme?</b>	<b>Information required</b>	<b>Communication channel</b>
5. Sector ministries departments and collaborating institutions	Knowledge and information	Programme activities, Expected benefits, Phase I achievements, Innovations Weather advisories	Websites, brochures, booklets, exhibition, conferences, meetings, workshops, launches, mobile alerts, print and electronic media
6. Financial and insurance institutions	Funding, knowledge and information, planning and innovations, accountability, evaluation	Programme activities, Phase I achievements, Expected benefits	Brochures, websites, meetings, conferences, workshops, flyers, meetings
7. Research and training institutions	Research, Knowledge and information, innovations, resources	Programme activities, Expected achievements, Innovations, Technologies	Brochures, websites, meetings, conferences, workshops, demonstrations, exhibitions
8. Media	Knowledge and information, dissemination, publicity	Programme activities, Phase I achievement, Expected benefits, Innovations	Brochures, progress and financial reports, evaluations, websites, press briefs, articles
9. Non State actors	Knowledge and information, partnership	Overview of the programme activities, Expected benefits, Phase I Achievements, Innovations, Weather advisories	Guidelines, Posters, Websites, brochures, conferences, special launches, print and electronic media, Reports, meetings, workshops, newsletters, emails



