Working Paper

Future Agricultures

# Social Protection and Agricultural Development in Kenya

**Patrick Irungu[1], Lydia Ndirangu[2] and John Omiti[3]**

March 2009

This paper focuses on social protection programs in Kenya's agriculture. A case study approach was used where three cases were examined: (a) emergency seed distribution in the arid and semi-arid lands and remote areas which are inadequately served by the formal seed sector, (b) hunger and safety net programme in northern Kenya, and (c) Njaa Marufuku Kenya. The study found that while social protection programs/strategies are necessary to cushion vulnerable groups from covariate risk, these have not been properly domesticated in the Kenyan policy and legal frameworks. In fact, the national response to shocks and stresses among the vulnerable groups has largely been ad hoc. Emergency interventions have been implemented in rather haphazard and knee-jerk approach with minimal strategic policy focus. And even where social safety nets have been implemented, these have largely been untargeted, uncoordinated and humanitarian in nature. Hence, although some efforts have been made in the past to entrench social protection in the Kenyan society (e.g., the Equity Bill, the Affirmative Action Bill and the Constitutional Review), these initiatives have suffered from lack of political goodwill, ethnic and class chauvinism and political patronage. There is therefore need to for the Kenyan society as a whole to re-define its strategic direction with regard to empowering poor households to enable them cope with shocks. The starting point would be to design a comprehensive social protection policy which is now in progress.

# Introduction

Kenya like many developing countries relies on agriculture as the engine of economic growth and development. Various government documents attest to this fact; for example, the Agricultural Sector Development Strategy (2009-2020) reports that agriculture contributes about 24% of the gross domestic product (GDP) and employs over 70% of the country's labour force. About 65% of export earnings come directly from agriculture. The National Food and Nutrition policy predicates the goal of food self sufficiency entirely on agriculture. In the new economic blue print, the Kenya Vision 2030, agriculture has been identified as one of the six key sectors that are expected to deliver the 10% annual economic growth target in the next 22 years. However, Kenya's agriculture is impacted on by a number of factors, many of which constrain its performance.

## Agricultural vulnerability in Kenya

The factors that influence agricultural performance in Kenya are legion. For the purposes of this paper, these have been grouped into four main "environments", depicting the different biophysical, economic, social and institutional contexts in which agricultural production takes place (Figure 1). Hypothetically, these contexts determine both the propensity and the magnitude of the underlying risks[4] that characterize agricultural production in developing countries such as Kenya. Adverse changes in any of these environments not only magnify the risk, irrespective of type, but also amplify the negative impacts on the livelihoods of the people who depend on agriculture. Vulnerability[5] to risk has been recognized as one of the causes of poverty as risk induces shocks and/or stresses to the household.

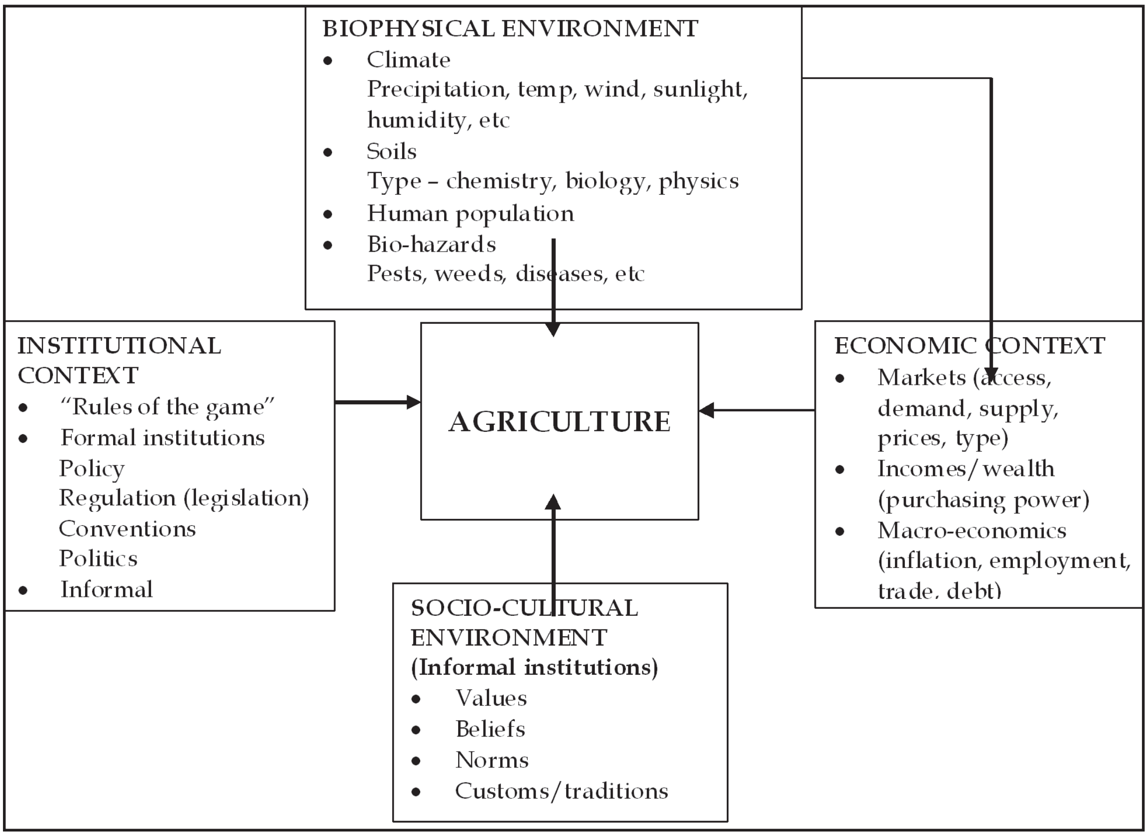
Kenya's agriculture has a dual character as defined by altitude, which dictates the amount of rainfall received. About 16% of the country's total landmass is classified as medium to high agricultural potential on the basis of receiving at least 750mm of rainfall per annum (MOWI, 2005). The rest of the country (84%) constitutes the arid and semi arid lands (ASALs).

In the medium and high agricultural potential areas, agriculture is dominated by high value crops and exotic livestock breeds. While these areas experience minimal production risk, adverse weather conditions (e.g. long dry spells and hailstorms) occasionally constrain production. The more-or-less stable weather conditions result in more stable farm incomes and guarantee more secure livelihoods in these areas relative to other parts of the country. However, there is a high dependency on subsistence farming even in these areas as only about 30% of agricultural households sell their farm produce (KIHBS, 2005/6; Tegemeo panel data sets, 2000, 2004, 2007). The high dependency on sub-subsistence farming often leads to liquidity constraints. Liquidity constraints are a major source of vulnerability for the farm households (Von Pischke et al. 1983; Kydd and Dorward, 2001 and World Bank, 2007).

The rest of the country (84%) constitutes the arid and semi arid lands (ASALs). These areas have fragile ecosystems characterized by low (≤650mm) and erratic annual rainfall and hot and dry weather; and soils of low and variable fertility and texture (Jaetzold and Schmidt, 1983). These factors mean that ASALs are generally unsuitable for crop production. However, the natural vegetation provides vast amounts of pasture for livestock production. About 70% of the country's livestock population is found in these areas (Omiti and Irungu, 2002), which produces 5% of agricultural output and supports livelihoods of about 25% of the population. In general, the livestock sector contributes about 12% of Kenya's GDP (Irungu, 2009).

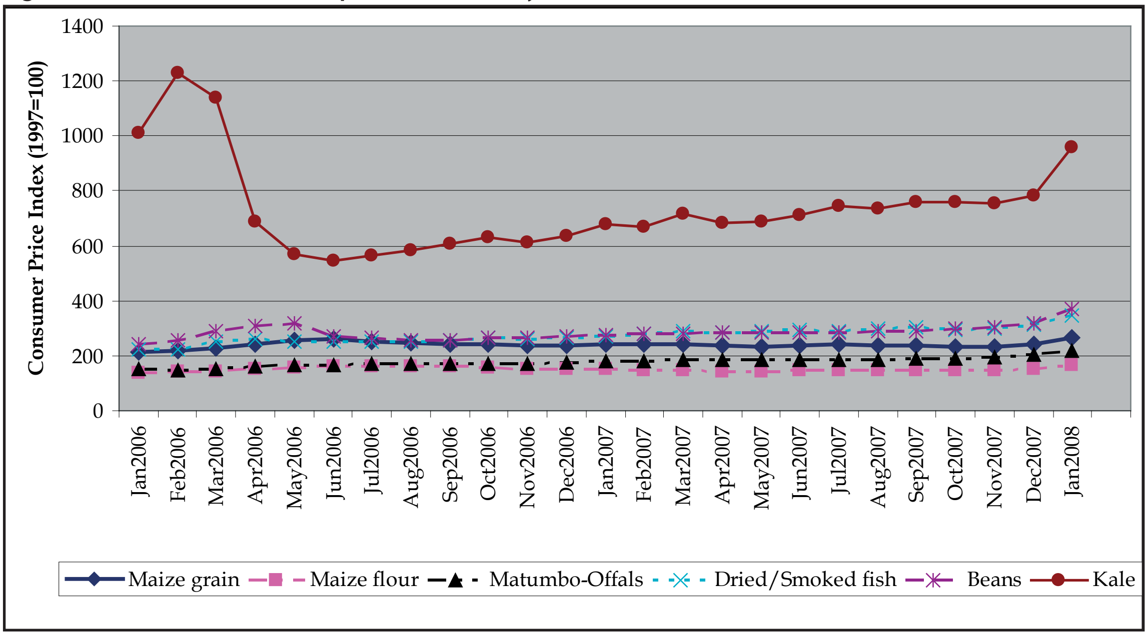
Droughts are endemic in the ASALs putting about three million people in constant need of food emergencies. This number often rises in times of severe drought, especially when combined with other shocks. Unfortunately, few attempts have been made to mitigate these shocks among the pastoral communities. For example, the only large scale destocking exercise was done during the colonial era through the Livestock Marketing Division (LMD) (Swift et al., n.d.). More recently, this approach has been replaced by smaller piecemeal responses (often by NGOs) attempting to mitigate the impact of drought by the provision of assistance in the form of marketing, water, veterinary services. Even then, rarely have attempts to mitigate drought been well co-ordinated at local or national levels. The major response by government and her development partners over the past two decades has been one of 'last resort provision' of food relief to affected communities. Few efforts have been made to improve the food self-sufficiency of pastoral communities and to assist the development of community-managed drought mitigation activities.

Figure 2. Variation in consumer price index in Kenya (2006-2008)




Source: KNBS data (Unpublished)

Figure 2. Variation in consumer price index in Kenya (2006-2008)




Source: KNBS data (Unpublished)

In 2009, about 10 million Kenyans (almost 30% of the population) were in need of food. This was mainly due to disruption of farming activities by the post-election violence, untimely rainfall during the main cropping season in 2008 and insufficient rains during the short-planting season in the year. This level of food insecurity comes less than three years after 2005, when Kenya faced its worst drought in 50 years. In December 2005, WFP predicted up to 2.5 million people (about 7 % of the population) would be under serious stress, with global acute child malnutrition ranging from 18 to 30% in the arid north and eastern parts of the country. The Government of Kenya (GoK) at the time estimated the number of people requiring food aid to be 3.5 million, of which 500,000 were school children.

It is now established that Kenya experiences an episode of adverse weather conditions once every five years and severe drought once every ten years (Nyamwange, 1995). Weather shocks tend be closely associated with price shocks. More often than not, it is the ASALs that suffer most from these episodes. Nevertheless, the high and medium potential areas also experience variable factor and product price shocks. Stresses in the high and medium potential areas include soil erosion, pollution, deforestation and long term decline in agricultural commodity prices. At the individual household level, the HIV/AIDS pandemic is perhaps the biggest shock and stress factor among agricultural households. High poverty incidence is also a major cause of stress among many households in Kenya as it compromises food security. Poverty in Kenya is more widespread in the rural than in the urban areas with the ASALs being the poorest (KNBS, 2007). This is partly attributable to a low asset base (e.g., small farm size and low quality livestock) and a general lack of alternative livelihood sources other than livestock.

The average smallholder farmer, especially in the high potential crop areas, owns about one acre of land. This land is often cultivated and subjected to significant soil erosion (Place et al., 2006). Kenya's population growth remains high with an annual rate of approximately 2.8%, which leads to further reductions in farm size. As farm size decreases, the intensity of cultivation increases contributing to further land degradation. The fact that Kenya's agricultural productivity has remained stagnant over the years implies that soil mining has been going on without replenishment. This puts future productivity at risk.

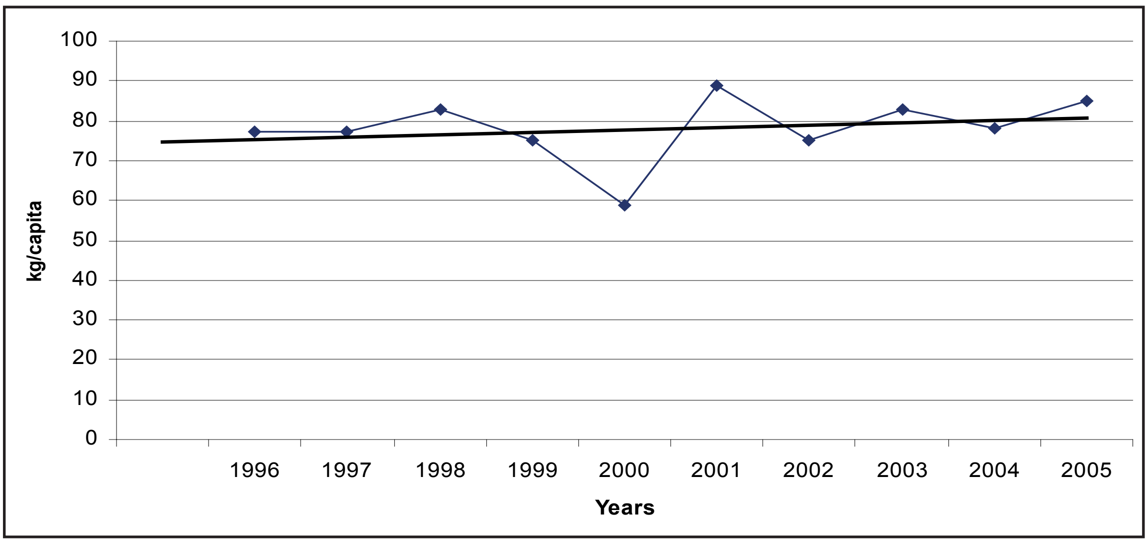
The rise in world food and fuel prices has aggravated the perennial problems posed by weather uncertainty, small farm sizes and the now cyclical political volatility in Kenya, particularly in the agriculturally productive areas of Rift Valley and Central Provinces. Further, there has been a rise in input prices especially fertilizer, resulting in a 50% increase in land preparation costs during 2008. This made land preparation less affordable which impacted negatively on agricultural production during the year. Although the prices of common food staples (except kale) in Kenya have not risen dramatically over their 1997 levels (Figure 2), poor food distribution continues to reduce food access particularly to the poor who also spend a large portion (75%) of their income on food (KNBS, 2007). To survive in this situation, many poor households were reported to have pulled children out of school (KFSSG, 2008). This practice obviously compromises human capital development, thereby increasing the future vulnerability of such families. Institutional failures in the management of food relief have played a much bigger role in increasing the vulnerability of affected households.

The result of the persistent food insecurity is widespread malnutrition among the most vulnerable and marginalized groups. For instance, a comparison of stunting figures from the KIHBS 2005 (33%), the Household Welfare Monitoring Survey II 1994 (33.6%) and KDHS 2003 (30.3%), suggests that chronic malnutrition among children below 5 years have not shown any significant improvement in the last decade. At the Provincial level, estimates show that Eastern (39.3%) and Coast (35.6%) Provinces have higher proportion of stunted children, while Nairobi (26.8%) and Central (26.9%) Provinces have lower proportions compared with the national average. The implication of such findings is that human capital development in Kenya will continue to be undermined, and that the country will unlikely meet the Millennium Development Goal number one (MDG Report, 2008), unless urgent action is taken to reverse these trends.

## Policy responses to shocks and stresses in agriculture

Despite the recurrence of drought and its devastating effect on communities and the national economy, Kenya does not have a comprehensive drought management policy and action plan. The frequent response to drought (and other related disasters e.g., floods) is provision of emergency aid. The GOK, relief agencies and the private sector have worked together to limit the adverse affects of droughts/floods. For instance, during the 2005 drought, the donors and the private sector responded generously and many lives were saved. However, more often than not the response by government and development partners often comes a bit too late to forestall loss of human life and degradation of assets. For example, the 1999/2001 drought considered the worst in the last 100 years, affected 4.5 million people, decimated nearly

**Figure 3. Per capita maize production (kg per capita): 1990-2005**




**Source: Authors**

60-70% of livestock in the ASALs and cost a whooping US$340 million to respond. Had help come in earlier, it would have cost only US$171million[6], almost half of the actual cost due to a greater need for supplemental and therapeutic foods, and the need for quicker but more expensive logistics. While emergency aid is necessary for saving lives, there is growing concern over its sustainability given the rising world food prices and delivery costs, not withstanding the unsuitability of emergency relief in dealing with chronic food insecurity as manifested by stunting and wasting statistics. Increasingly, aid agencies and other development partners are investing in search of ways that can break the vicious cycle of drought and poverty. A number of reports have called for food aid reform (Cohen and Weingärtner, 2007; Barrett & Maxwell, 2005b; Clay et al., 2004; Oxfam, 2005). Others (e.g., Chantarat et al., 2007) advocate for weather-based insurance schemes to insure against covariate risk.

Without downplaying the role of production declines, anecdotal evidence suggests that vulnerability to food insecurity in Kenya is more of a distributional problem than a drought (production) one. Drought just magnifies the underlying problems. For instance, an assessment of national commodity balance sheets for staple foods in Kenya for 2005/06 demonstrates that food security problems largely resulted from problems in food access, as opposed to availability (CRS, 2006). Figure 3 shows that the per capita production in the 10 years between 1996-2005 was stable. Poor distribution conforms to Sen's "exchange entitlement failure" as a cause of famine (Sen, 1981).

As mentioned above, the GoK policy responses to sources of vulnerability are more ex post such as after a drought has occurred, while ex ante responses such as addressing the structural causes of food insecurity are largely ignored. Issues of market access, chronic hunger and long term declines in soil quality and access to water for irrigation which could solve the severe effects of drought, have largely been neglected. Through various policy documents and action plans, however, the Government recognizes that failure to address the long-term stressors undermines interventions for growth. For instance, the Strategy for Revitalising Agriculture (SRA) 2004 – 2014 recognized the need for a coordinated response to HIV/AIDS as a persistence stressor in rural areas. The relatively high prevalence of HIV/AIDS calls for responses that focus on building assets and improving access to assets such as land by the most vulnerable in rural societies. Through mainstreaming, there has been a convergence of agricultural promotion policies and social protection programmes. In general, however, the potential for exploiting the synergies between social protection and agriculture growth have often been unexplored and the links between the two generally remain poorly conceptualised in policy and in budgetary commitments. The Kenya Vision 2030, for example, plans for development of a social protection programme that will benefit the poorest and most marginalised people in the society. The Vision however, draws no link between the social protection programme and the productive sectors.

In order to demonstrate the synergies between social protection efforts and agricultural growth, the paper presents case studies in Kenya that show how social protection programmes can alleviate farm household liquidity constraints and induce multiplier effects in the rural economy. The discussion also shows that efforts to reduce risk must be at the centre of agricultural development policy. The paper considers social protection initiatives as those that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks and enhance the social status and rights of the marginalised. As such, the concept covers a very broad range of interventions from emergency relief and supplementary feeding to pensions, disability allowances, health insurance, agricultural input subsidies and campaigns for peoples' rights. The paper provides three examples of social protection initiatives that aim to increase the incomes and assets of crop and livestock farmers in marginal rainfall areas in Kenya, through direct cash and seed transfer and deliberate interventions to reduce hunger and poverty among vulnerable communities.

# Social Protection for Agriculture: Case Studies

## Case Study I. Emergency seed distribution in Kenya: an overview

### Introduction

The practice of seed aid has been in Kenya for about fifteen years. Since 1992, the GOK through the Emergency Drought Recovery Programme has distributed emergency seed to farmers in the ASALs and remote areas inadequately served by formal seed sector. The distribution has been a collaborative effort between the government, NGOs, CBOs, private seed sector, farmers and other development agencies. The seed has been acquired from seed companies and local markets for distribution. Although intended to be a limited one-time intervention, emergency seed distribution has become a regular source of seed for ASAL communities due to frequent seed shortages following drought-related stress. In the marginal rainfall areas, availability of seed at the right time is essential for maximum utilization of available moisture, and therefore good crop production.

In order to demonstrate the synergies between seed emergency relief and agricultural pro-poor growth, we discuss two approaches that have been used to distribute emergency seed in Kenya. These include a conventional government procurement and distribution system for seed (CSPD) and seed vouchers and fairs (SVF) system.

**Conventional seed procurement and distribution approach[7]:** In this approach, the Government and NGOs request seed bids from locally registered seed companies. The Ministry of Agriculture or the implementing agency, based on the ability of the seed companies to supply the types of crop assesses the bids, variety and amounts required, packaging and the unit cost. Successful bidders transport the seed to the affected Districts where it is received by the implementing agency for storage, awaiting delivery to the Divisions and finally to Locations where it is distributed to the beneficiaries. The Divisional

Officers and local chiefs distribute the seed to the beneficiaries at the Divisional or Locational levels.

Where the NGOs are involved, the seed from the seed companies is delivered to the NGOs' local offices for subsequent distribution to farmers. NGO staff supervises the distribution, often in collaboration with the GOK staff.

Seed vouchers and fairs approach: Seed fairs are special markets organized for the local farmers, grain traders, seed stockists and seed companies to distribute grains as "seed" or certified seed to seed needy households. Seeds from local, informal and formal sources are marketed at a special market to be exchanged for either cash, or by barter for vouchers.

The affected communities identify seed-needy households based on their own set of criteria. The households are then issued with seed vouchers of a predetermined monetary value. Farmers and local traders with surplus grain to be sold as seed are sensitized to bring the surplus to a selected seed fair site. Voucher holders then exchange their vouchers for seed of crop varieties and quantities of their choice, depending on the monetary value of seed vouchers. On completion of the seed fairs, seed vendors redeem the vouchers for cash.

**Complementary and conflicts between agricultural promotion and Social Protection:** The synergy between growth promotion and social protection is obvious in this intervention. This is to the extent that emergency seed distribution is aimed at helping drought-hit farmers recover and resume production thereby securing their future food security. However, the government's procurement policy and political interest may come into conflict with the desire to protect the most vulnerable and in a timely manner. For instance, in the CSPD approach, certified seed is acquired from seed companies through a standard tendering process that can be lengthy and bureaucratic. In this process the implementing agency, basically the government district agricultural staff, decides on crop types, varieties and amounts, based on the agro-climatic conditions of the District and the degree of disaster. Before a tendering process is started, each disaster-affected District presents its seed requirement to the Ministry of Agriculture headquarters. These requests are usually specific to crop and varieties. The most commonly requested crops are maize, sorghum, beans, cowpea, green gram and pigeon pea. Two to three varieties per crop are usually requested from among the varieties that have been developed and released for the ASALs by research institutions. The requests are summarized for all Districts and orders are given to the seed company that wins the bid. In the majority of cases of seed procurement through the CSPD, the Kenya Seed Company, which is a government parastatal, has been awarded contracts to supply emergency seed to the government. More often than not, the crops requested by the Districts are not among those stocked by the seed companies.

Seed from seed companies' warehouses is transported to the disaster-affected District and then to the Divisions and Locations where the seed is to be distributed to the beneficiaries. Targeting of beneficiary Districts is done at the regional level based on the occurrence of drought. Little effort is made to identify the most affected Divisions and Locations. Although the front-line agricultural extension staff are supposed to target seed-needy households, in most cases the government offers blanket distribution, mainly to serve political interests. The distribution is done by the Chief or Assistant Chiefs at the Locational level. Everybody who comes is provided with seed irrespective of whether he/she it.

In contrast, in the SVF, a two to three-day survey is conducted to find whether grains are available at the Divisional and Locational levels. This is in realization that local stockists and some farmers store local seed races even through periods of droughts. For example, a survey conducted before the onset of rains in 2000 and 2001 revealed that even after four seasons of drought, farmers in eastern Kenya still had seed of their landraces. Some local traders had between 5 and 30 bags of grains (seed). Although the suitable seed were usually available within the Locations, farmers could not access them due to lack of purchasing power. This is in line with Sen's (1981) entitlement theory, that it is often not the lack of food that results in famines, but the loss of means of acquiring the food that results in famines.

Once the seed availability situation has been assessed, farmers, traders, stockists and seed companies are then informed that they should take seed or grains to selected sites where seed fairs will take place on a specified day. The seed is then exchanged for vouchers or cash. The beneficiaries exchange vouchers for crops and varieties of their choice and in amounts they desire.

In the SVF approach, target Districts are chosen based on severity of food insecurity and occurrence of drought. In each District, specific Divisions and Locations are selected based on rainfall and crop performance during the previous two seasons and the perceived seed availability. Seed-needy households are identified through a community-based targeting approach. Communities are sensitized and organized in sub-village committees (SVCs). Each SVC develops criteria for nominating the neediest households, which differ from region to region but generally exclude households having other sources of income, an employed member, seed and food grains, more than five goats, sheep or cattle.

In terms of the effectiveness and timeliness of the two approaches, the scale of operation of the SVF approach, it is simple to implement and can be planned and implemented within a short period. The administrative and logistical burdens associated with CSPD, such as the procurement procedures and transport are reduced substantially since farmers and traders transport seed to seed fair sites using bicycles, ox-carts and even donkeys. Elaborate transport arrangements that usually delay seed distribution are not required. Furthermore, when seed companies and research institutions are involved, they make their own transport arrangements to and from the seed fairs sites without GOK or other aid agencies support.

**Multiplier effect of SVF:** The vouchers generate demand for local seed stockists. For instance, during the 2001 short rains in Embu, Tharaka and Mbeere, a total of 2,169 seed vendors (sellers) participated. Most of these were farmers and traders from local markets of which

55.6% were women, 42.3% men, and the remaining 2.1% were composed of seed companies including KARI (Katumani Seed Unit). The SVF approach provides a forum for seed companies to advertise themselves and research institutions to promote improved dry-land crop varieties.

The involvement of many seed vendors in SVF potentially makes it possible for a number of crops and varieties to be exchanged. Different locally adapted crops and crop varieties may not be available in the formal seed sector, but are important to food security in drought-prone areas. In the CSPD approach, the main crops delivered are usually maize, beans and sorghum. The number of varieties delivered through CSPD depends on the varieties released by research institutions.

One clear lesson from the CSPD and SVF approaches is that social protection and agriculture growth promotion programmes need to build local knowledge to maximise their effectiveness. For instance, while the CSPD approach assumes lack of seed in the localities after a drought, the SVF approach recognises that seed of suitable crop species and varieties are usually available within the locations easily accessed by farmers. However, it is the lack of purchasing power the constraints access. SVF removes this constraint through vouchers. The consequence for lack of acknowledging local factors under CSPD is an expensive poorly targeted seed delivery system that serves the growth objectives less since the seeds delivered may not be those that the farmer needs.

## Case study II. The Hunger and Safety Net Programme

### Introduction

Hunger and vulnerability to shocks are the main problems facing the poor in the ASALs of Kenya. The Hunger and Safety Net programme (HSNP) is a GOK programme (with support from DfID) that seeks to alleviate extreme hunger and poverty in northern Kenya. The Programme is based at the Ministry for the Development of Northern Kenya and other Arid Lands. Poverty in northern Kenya is 28% above national poverty rates and close to 2.5 times more than the least poor Province in Kenya (KNBS, 2007). Livestock production is the predominant livelihood source for most households in northern Kenya. Oxfam (2006a quoted in Oxfam, 2006b) showed that pastoralists' wealth in certain Districts of northern Kenya has declined by more than 50% over the last 10 years. Global Acute Malnutrition (GAM) rates in excess of the internationally recognised emergency threshold of 15% are now perceived as the norm in these Districts (Oxfam, 2006b). This increases the risk of productivity poverty traps among the affected people. Against this background, the HSNP was aimed to reduce hunger and vulnerability in northern Kenya through a targeted cash transfer mechanism for the poor and vulnerable people in the region.

The program started off with a pilot phase covering Mandera, Marsabit, Turkana and Wajir Districts. This phase was necessitated by the fact that cash transfers on a national scale are a new and untested mechanism of alleviating chronic hunger in Kenya. Food relief has been the main approach used by most humanitarian agencies. Food relief targets acute or short-term hunger as a result of drought, disease outbreaks or floods, as opposed to long terms chronic hunger.

A major characteristic of Kenya's system of hunger and other disaster management is its slow response. The food relief especially has been costly to deliver (Peppiat et al., 2001; Buchanan & Barton, 1998), and at the household level, there is no flexibility in terms of extending family expenditure beyond food consumption. Many times, families receiving food relief have been reported to sell part of it to obtain cash to meet other non-food needs, or to buy the food type that they prefer. It is such behaviour that informed the design of the HSNP. It is hoped that the transfers should improve the capacity of beneficiary households to meet immediate essential needs and to invest in improving their future prospects; for example through education, health care, as well as veterinary care or feed for livestock. The ultimate goal of HSNP is to reduce extreme poverty.

The pilot phase (Phase I) of HSNP sought to

- demonstrate the means of targeting chronically food insecure households by transferring small amounts of cash effectively to a large number of people;
- find out whether such transfers can have impact on poverty and hunger and whether they can be sustained through government systems;
- demonstrate a cost-effective way of transferring cash to the poorest in some of the most challenging environments in Kenya, with limited infrastructure, high insecurity and highly transhumant communities, and
- contribute to the development of a national social protection policy and strategy in Kenya. This will be Phase II of the programme.

Phase I (2008-2012) targets about 40% (60,000 households) of the poorest population in targeted Districts. This phase is planned to cater and predict the needs of the hardcore poor nationally. Phase II will target about 300,000 households for a period of five years up to 2017.

### Components of HSNP

The pilot phase of the HSNP will test:

i. A cash transfer payment system using agents at the community level who will deploy point of sales (POS) devices and biometric smart cards. The Programme will work towards answering the following questions specific to payments:
   a. How to transfer payments to the poorest and unbanked people in the most effective and efficient way?
   b. What kind of payment mechanism is secure, affordable and provides a store of value for the poor?
   c. What technologies work best in difficult environments such as the northern Kenya?

ii. A monitoring and evaluation (M&E) system that will seek to provide the evidence base required to scale up the project to phase II and to inform and influence policy. The pilot phase seeks to answers to the following questions:
   a. Does cash transfer provide a means to tackle chronic hunger and poverty in Kenya?
   b. What mechanism should be used in the scale-up?

c. Which targeting approach is most effective in reaching the poor?

d. How effective and efficient is the programme in meeting its objectives?

iii. A social protection rights component that seeks to ensure that the rights of people participating in the programme are protected.

HSNP recognises that for it to be effective in reaching the chronically poor and also address inter-generational and multi-sectoral nature of poverty individuals and community's rights must be protected.

a. This component thus seeks to develop mechanisms that ensure standards of accountability, transparency and participation are respected. It will also strengthen mechanisms for achieving accountability to beneficiaries.

b. Investigate discriminatory approaches such as those often used against disadvantage community members such as widows and the old. Such discriminatory practices could be the reason why famine mortality statistics reveal that it is the weakest and most dependent family members—children and the elderly—who suffer disproportionately and are the first to die (Caldwell & Caldwell, 1992; Seaman, 1993 in Devereux, 2001).

HSNP has the potential to serve both a social protection and a growth enhancing role in the following ways:

- Smoothing consumption: Since the value of the cash transfer is based on the cost of meeting basic consumption requirements per household over a three year period, by design alone the cash transfer should aid in consumption smoothing. Furthermore, the value was calculated using a five-year average price of cereals. The amount will be adjusted to 5% inflation each year, depending on the GOK's financial ability.
- Since the payments mechanism provides a store of value for the payments, the beneficiary should be able to save all or part of the cash thereby serving to smooth consumption.
- Banking the unbanked through modern banking technology: The payment process is to be managed by the private sector under the direction of the Financial Sector Deepening (FSD) Trust Kenya. FSD contracted a Microfinance Institution, Equity Bank, to implement payments at community level. Equity Bank has a history of developing initiatives that target groups often left out of the banking and financial sector. Currently less than 20% of Kenyans have access to mainstream banking services (FSD, 2006).
- Multiplier Effect: Increases in demand created by cash transfer may also attract traders linking food deficit areas with food surplus areas. This movement of food may provide for an equilibrium where surplus producing areas are able to increase food prices whilst, food deficit areas reduce them (Dreze and Sen, 1989; Pepiatt et al., 2000). Through such market activities, HSNP has therefore the potential to spur growth well beyond the area of intervention.
- By increasing access to cash and thus relieving credit constraints, HSNP may also help stimulate the emergence and growth of non-farm (pastoral) commercial enterprises, generating employment and income growth.
- Capacity building for beneficiaries in social auditing: Although HSNP seeks to educate and mobilize the communities to ensure that they fully understand their rights in the programme, this is likely to have spill over effects to other development initiatives as Kenya development activities are increasingly being decentralised; for example, the Constituency Development Fund, the Constituency AIDS fund among others.
- .Building block for insurance for the poor: HSNP can be a foundation for development of a productive safety net (PSN) since it provides a means to acquiring assets by the poor. Such assets then provide a basis on which indemnity payments can be made after a shock. Existence of a PSN may also provide a stimulus for further investment and therefore a spiral of accumulation. The spin-off of such spirals is that cash transfers may act as platforms for co-investment, for example, between beneficiaries and service providers like insurance companies to manage covariate risk for mutual benefit.

## Case study III. Njaa Marufuku Kenya[8]

**Introduction**

"Njaa Marufuku Kenya (NMK)" (or "ban hunger in Kenya") is a World Bank funded programme that started in 2005. The programme evolved on a pilot basis under the auspices of the United Nations in fulfilment of the MDGs. Within the context of MDG 1 and the SRA, the agricultural sector ministries with support from the Food and Agriculture Organization (FAO) of the UN and the MDG center, developed the NMK programme to provide an overall strategic framework for a 10-year action plan (2005-2015) for hunger eradication in Kenya. The programme has four major goals. To

- contribute to the reduction of poverty, hunger and food insecurity in poor communities;
- increase food security initiatives by supporting resource poor communities;
- support health and nutrition interventions that target the poor and vulnerable, and,
- strengthen and support private sector participation in food security and livelihood innovations.

**Programme components**

The programme has wide-ranging projects implemented in three strategic components. Component I is aimed at supporting community-driven food security improvement projects. This component focuses on empowering communities through capacity building of group members and their facilitators. In addition, the groups are issued with small grants as seed money to enable them upscale food security initiatives. Activities focus first on identification of needy groups by stakeholders and the District Coordination Units (DCUs) based in each District. The groups then write proposals which are submitted through DCUs. The proposals are then appraised by the secretariat and cheques disbursed. Groups are encouraged to build a revolving fund to enable them upscale activities. The key intervention areas under this component include:

- small scale micro-irrigation and water harvesting technologies;
- high value horticultural crop production i.e. production of fruits and vegetables, floriculture, mushrooms and indigenous vegetables;
- support to farmer cooperatives, marketing and value addition initiatives;
- environmental conservation;
- propagation of draft animal technology;
- livestock projects, e.g., dairy cattle, dairy goats, upgrading of local poultry, beekeeping, improved poultry, fish farming, etc, and
- animal health services, e.g., artificial insemination services and operationalization of dips.

Component II involves community nutrition and school meals programmes, similar to the one initiated by the government in the 1980 with the assistance from the UN world Food Program (WFP). The objective is to improve the nutrition of school-going kids through school feeding programmes particularly in the arid and semi-arid lands of Kenya. It has been noted that hunger is one of the major contributors to low school enrolment and school drop out rates in the medium and marginal areas Kenya (McLean et al., 2007). With up to 80% of the country being semiarid to arid, chronic food insecurity is mainly the norm, particularly among the nomadic pastoralist communities who occupy most of the harsh dry-lands. Periodic droughts and floods add an acute dimension to food insecurity and ensure that most of these people remain among the poorest in Kenya. Component II is implemented purely as a social safety net among the poor who are otherwise disadvantaged when it comes to accessing government-supported free education. The component also encourages youth involvement in agriculture through education.

The overall objective of NMK's third component is to facilitate effective and sustainable Kenyan public private partnerships that address the challenges of hunger and poverty reduction as a national concern[9]. This component encourages the participation of CBOs, NGOs, Private Sector Organizations and other independent food security innovations in hunger and poverty reduction in Kenya. The specific objectives include:

- up-scaling on-going innovative private sector led food security initiatives;
- encouraging adoption of new technologies;
- facilitating communities' empowerment, and
- enhancing devolution of government resources from government offices to grassroots level to be managed by local communities.

In order to achieve these objectives, NMK jointly works with relevant private organizations to up-scale innovative food security projects. In this regard, the NMK provides Hunger Elimination and Reduction Innovation Funds to sponsor potentially replicable projects implemented by registered civil society entities, private sector and other independent organizations.

### Achievements of NMK

NMK has had several achievements so far. Under Component I, 336 community group facilitators have been trained as trainers of field extension workers. With regard to Component II, school meal programmes have been launched in three pilot districts of Maragua, Butere-Mumias and Narok targeting 4,687 pupils. Because of the overwhelming success of these initial efforts, the programmes have been extended to six other districts namely Malindi, Kwale, Mwingi, Homabay, Garissa and Marakwet. In addition, 4K clubs have been initiated in selected schools and nutrition training materials developed. About 150 community nutrition/health volunteers have been trained to spearhead the community nutrition awareness campaigns and training as well as regular assessment of the nutritional status of children under five years of age. Under Component III, a project concept note has been prepared and shared with collaborators including FAO, MDG Center and a number of donor representatives. As well, legal agreements have been prepared to facilitate the release of grants to eligible CBOs/NGOs/Private organizations.

### Constraints

NMK faces several constraints key among which is inadequate funding. According to the MDGs needs assessment report, an investment of about KShs 800 million is needed annually to meet the requirements of MDG 1. In the original design of NMK, it was hoped that the larger proportion of this funding would come from development partners. So far, however, only 10% of the funding has been availed by the Kenya government. Other constraints include limited staff and drought incident which has amplified the community needs beyond the programme's ability to deliver.

# Lessons

Covariate risk attributable to droughts is one of the major factors that constrain the performance of agriculture in Kenya. Agricultural households particularly those in the marginal areas of Kenya are perennially exposed to the vagaries of hunger, poverty and disease. These challenges are further exacerbated by environmental constraints, including climate change, thereby aggravating competition for scarce resources and associated social conflicts. Although these facts have long been known to policy makers in Kenya, few sustainable long-term strategies have been put in place to resolve the problem once and for all. At the moment, Kenya lacks a comprehensive shock/stress management and social protection policy in all sectors including agriculture. It is no wonder then that the national responses to sources of vulnerability (floods, droughts, civil conflicts, etc) have largely been ad hoc, untargeted and poorly coordinated. The question that begs in this state of affairs is: why has this been so? Three factors account for this unfortunate state of affairs.

## Poor policy focus

The prevailing neglect to address poor households' vulnerability to shocks such as droughts and floods can be attributed to a poor public policy focus. During the colonial era there was little concern for marginal areas particularly the ASALs. In fact, some areas were considered "closed districts" so that the colonial policy was focused on preserving security and the culture of communities in those Districts. At independence, the colonial policy was perpetuated. Emphasis was put on investing in high rainfall areas which were perceived to have high rates of return on investment (Mutiso, 1991). It was expected that growth in these areas would "trickle-down" to the low rainfall areas (Omiti and Irungu, 2002). However, this did not happen and has not happened to date. For instance, there is a glaring disparity in wealth and socio-economic indicators in the two areas. SID (2004) notes that Kenya ranks among the 10 most unequal countries in the world and the most unequal in East Africa. The same document shows that the country's top 10% households control 42% of total income while the bottom 10% control less than 1%. Sadly, the majority of the bottom 10% invariably live in marginal areas.

Having noted the sad state of affairs, the government of Kenya has over the years implemented a number of programs aimed at mitigating the observed inequalities. However, as noted above, these efforts have been piece-meal in approach. One such example is the school feeding program that started in the 1980 soon after the second President, H.E. Daniel Moi, took office in 1979. The program involved provision of a meal per child per day. The program has been hailed as having contributed to the exemplary performance of schools in the marginal areas e.g., Makueni District (Mwiria, 2005) and Baringo (IRIN, 2003). Unfortunately, the program could not be sustained partly due to lack of funds and mismanagement.

Other policy responses aimed to reduce inequalities include the Affirmative Action Bill of 2000 and the Equity Bill of 2002. According to IEA (2004), the Affirmative Action Bill seeks to improve representation for marginalized groups in society including women and people with disabilities while the Equity Bill aims at eliminating all forms of social and economic discrimination and promotes equity of access and opportunity for all persons. Sadly, the Affirmative Action Bill was defeated in Parliament in 2007 while Equity Bill has never been enacted to date. Our review of relevant literature did not reveal any social protection programs targeted specifically on agriculture during both Kenyatta and Moi eras.

## Entitlement

Closely related to (1) above is the concept of entitlement. Sen (1983) defines entitlement as "the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces" (p. 754). Covert or overt inequalities result from failure of those who wield power to acknowledge other people's (especially the poor and the vulnerable) entitlements. The factors that lead to this outcome are many; poor policies, lack of a political voice, poverty, poor governance, etc. Communities in the marginal areas of Kenya generally lack a political voice and therefore remain invisible even when afflicted by a disaster. For example, during the 1999/2000 La Nina-induced drought, although the Arid Lands Resource Management Project made some initial interventions in Turkana, it is only after a local newspaper highlighted the story and initiated a fund-raising drive that the government directed more efforts to forestall a catastrophe in the District. Sen (1983) notes that the failure to see the importance of people's entitlements has been responsible for millions of people dying in famines. In Kenya, vulnerability to food insecurity is more of an entitlement problem than a drought (production) one; the drought just magnifies the underlying problems.

## Poor governance

Poor governance breeds corruption, inefficiency, wastage of public resources in addition to a general insensitivity of government bureaucrats to the needs of the electorate. These factors magnify the impacts of poor policy focus and insensitivity to entitlements discussed above. At independence, Kenya adopted a centralized form of government with a capitalistic democratic focus (e.g., see Sessional Paper Number 10 of 1965). A centralized system of government means centralized planning which muzzles investment choices of vulnerable communities. Interestingly, Kenya's geography is such that the high agricultural potential areas are invariably located in the central part of the country while the marginal areas are located at the periphery. A casual look at public investment reveals that government efforts are mainly concentrated at the core [in tandem with the colonial policy discussed above], with minimal attention being given to the periphery. Although this is increasingly changing with the introduction of devolved funds, e.g., the CDF and the Local Authority Transfer Fund (LATF), central planning has exacerbated vulnerabilities of the inhabitants of ASALs.

## Way forward

There is need to increasingly devolve power to the grass-roots so that communities can prioritise the type of activities that reduce their vulnerability to covariate risks such as droughts, floods or civil conflicts. Policy makers should take a more keen interest in addressing people's needs through entitlements. The starting point would be to sensitize policy makers through advocacy. Secondly, it is important to strengthen lobby groups, e.g., civil society organizations, the media and CBOs to be in a position to advocate for the institution of social protection programs in all spheres of the society. Thirdly, there is need to upscale the current initiatives of social protection programs in agriculture. While funding is an obvious challenge for developing countries such as Kenya, devolving the national budget to the grass-roots and instituting proper targeting and supervision of such funds/programs could go a long way to deepening and widening outreach to the benefit of the poor and vulnerable groups. Fourth, the design of social protection policy and legal framework for Kenya is long overdue. While the country has flirted with several initiatives with the potential to entrench social protection, e.g. the Equity Bill, the Affirmative Action Bill and the present Constitutional Review, such initiatives have suffered from lack of political goodwill, ethnic bigotry, class chauvinism and political patronage. Yet, the policy and legal frameworks are necessary for guiding the design of strategies to entrench and amplify social protection not only in agriculture but also in all sectors of the society. Finally, collaboration with global partners (e.g., in addressing the constraints imposed by, for example, climate change, transboundary diseases, terrorism, etc) and development partners needs to be strengthened.

## Conclusion

This paper focuses on social protection programs in agriculture. A case study approach was used. The study finds that while social protection programs/strategies are necessary to cushion vulnerable groups from covariate risk, these have not been properly domesticated in the Kenyan policy and legal frameworks. In fact, the national response to shocks and stresses among the vulnerable groups has largely been ad hoc. Emergency interventions have been implemented in rather haphazard and knee-jerk approach with minimal strategic policy focus. And even where social safety nets have been implemented, these have largely been untargeted, uncoordinated and humanitarian in nature. Hence, although some efforts have been made in the past to entrench social protection in the Kenyan society (e.g., the Equity Bill, the Affirmative Action Bill and the Constitutional Review), these initiatives have suffered from lack of political goodwill, ethnic and class chauvinism and political patronage. There is therefore need to for the Kenyan society as a whole to re-define its strategic direction with regard to empowering poor households to enable them cope with external shocks. The starting point could be to design a social protection policy.

## End notes

[1] Department of Agricultural Economics, University of Nairobi

[2] Kenya Institute for Public Policy and Research Analysis

[3] Kenya Institute for Public Policy and Research Analysis

[4] Smith et al. (2000) define "risk" as uncertain consequences, particularly exposure to potentially unfavorable circumstances, or the possibility of incurring nontrivial loss. Risk therefore is something undesirable and may vary across individuals living in seemingly identical environments.

[5] Vulnerability refers to the potential to be adversely affected by an event or change (see Kelly and Adger (2000); quoted in Eriksen et al. (2005)).

[6] GoK (2009). National Policy for Disaster Management in Kenya. http://www.sprogrammes.go.ke/images/ndpo.pdf

[7] This section borrows from Omanga and Rossiter (2004).

[8] This section borrows from: http://www.fao.org/spfs/national-programmes-spfs/success-npfs/kenya/en/ and http://www.infobridge.org/asp - accessed 04 February 2009.

[9] Philomena Chege (n.d.): 2008 AAPAM award for innovative management. http://unpan1.un.org/intradoc/groups/public/documents/AAPAM/UNPAN032707.pdf - accessed 27 April, 2009.

## References


Barrett C.B., and D.G. Maxwell. 2005. "Food Aid After Fifty Years: Recasting Its Role". Routledge Publishers.

Barrett, B.C. and D. G. Maxwell. 2006. "Towards A Global Food Aid Compact, "Food Policy

Buchanan-Smith, M. and D. Barton.1999 "Evaluation of the Wajir Relief Programme: 1996–1998," Report to Oxfam GB. Nairobi: Mimeo

Caldwell, J. & Caldwell, P. (1992) Famine in Africa: a Global Perspective, in: E. van de Walle, G. Pison & M. Sala-Diakanda (Eds) Mortality and Society in Sub-Saharan Africa (Oxford, Clarendon Press).

Chantarat, S., Barrett, C.B., Mude, A.G. and Turvey, C.G. (2007). Using weather index insurance to improve drought response for famine prevention. American Journal of Agricultural Economics, 89(5):1262-1268.

Clay, E.J., B. Riley and I. Urey. 2004. "The Development Effectiveness of Food Aid and the Effects of its Tying Status", Organisation for Economic Cooperation and Development, Development Assistance Committee, Working Party on Aid Effectiveness and Donor Practices, Report DCD/DAC/EFF(2004)9.

Cohen, M.J. and L. Weingärtner eds. 2007. Food Aid. Exploring the Challenges Report: International Conference Berlin, Germany, May 2 – 4, 2007

CRS. 2006. "Catholic Relief Services Kenya Drought Emergency Response: Rapid Assistance Program (RAP)". Catholic Relief Service Working Document.

Devereux, S. 2001."Sen's Entitlement approach: Critiques and Counter-critiques," Oxford Development Studies, Vol. 29, No. 3: 245-263.

Eriksen, S.H., Brown, K. and Kelly, P.M. (2005). The dynamics of vulnerability: locating coping strategies in Kenya and Tanzania. The Geographical Journal, 171(4):287-305.

IEA (Institute of Economic Affairs) (2008). Profile of women's socio- economic status in Kenya. Institute of Economic Affairs, pp. 62.

IRIN (2003). Lunches Improve School Performance in Kenya. http://news.newamericamedia.org/news/view_article.html?article_id=bbfcb5c43f1048e72fa260e112e0e1af – accessed 25 May 2009.

Jaetzold, R. and H. Schmidt (1983) "Farm management handbook for Kenya." Ministry of Agriculture, Nairobi.

KFSSG . 2008. "The Impact of Rising Food Prices on Disparate Livelihoods Groups in Kenya". The Kenya Food Security Steering Group (KFSSG) Report.

KNBS. 2007. "Basic Report on Well being in Kenya based on Kenya Integrated Household Budget Survey-2005-06" Kenya National Bureau of Statistics.

Kydd, J. and Dorward, A. 2001. 'The Washington Consensus on Poor Country Agriculture: Analysis, Prescription and Institutional Gaps', Development Policy Review, 19(5):467478.

McLean, E.D., Allen, L.H., Neumann, C.G., Peerson, J.M., Siekmann, J.H., Murphy, S.P., Bwibo, N.O. and Demment, M.W. (2007). Low plasma vitamin B-12 in Kenyan school children is highly prevalent and improved by supplemental animal source foods. The Journal of Nutrition, 137:676–682.

MOWI (2005). Overview of Irrigation Development in Kenya and Water Sector Reforms: Achievements and challenges. Nairobi, Kenya.

Mutiso, G.C. (1991), Managing the arid and semi-arid areas in Kenya. In: A. Kiriro and C. Juma (eds). Gaining ground: Institutional innovations in land-use management in Kenya. Acts Press, Nairobi.

Mwiria, K. (2005). Crucial role of nutrition in education: The Kenya experience. Food and Nutrition Bulletin, vol. 26, no.2 (supplement 2) 2005, The United Nations University. Pp. S168-S169.

Ngare, D.K. and Muttunga, J.N. (1999). Prevalence of malnutrition in Kenya. East Afr Med J. 76(7):376-80.

Nyamwange, M. (1995). Famine mitigation in Kenya: Some practices, impact and lessons. Middle States Geographer, 28:37-44.

Omanga P.A. and P. Rossiter. "Improving Emergency Seed Relief in Kenya: A Comparative Analysis of Direct Seed Distribution and Seed Vouchers and Fairs". In L. Sperling, T. Osborn and D. Cooper eds., Towards effective and sustainable seed relief activities, FAO Plant Production and Protection Paper 181.

Omiti, J.M. and P. Irungu (2002). Institutional and policy issues relevant to pastoral development in Kenya. . Discussion Paper No. 3. Institute of Policy Analysis and Research, Nairobi. 33p. ISBN 9966-948-14-7 (http://www.ipar.or.ke/DP31.htm).

OXFAM .2005. Food aid or hidden dumping? Separating wheat from chaff, Briefing paper No.71. Washington: OXFAM.

Oxfam. 2006 (a). "Oxfam-facilitated household economy assessments in Turkana, northern Kenya, February 2006.

Oxfam. 2006(b). "Making the case: A national drought contingency fund for Kenya" Oxfam Briefing Paper 89.

Peppiat, D., J Mitchell and P. Holzmann. 2001, "Cash Transfers in Emergencies: Evaluating Benefits and Assessing Risks," Humanitarian Practice Network paper, ODI.

Place F., P. Kristjanson, S. Staal, R. Kruska, T. deWolff, R. Zomer, and E. C. Njuguna. 2006. "Development Pathways in Medium to High-Potential Kenya: A Meso-Level Analysis of Agricultural Patterns and Determinants.". In John Pender, Frank Place, and Simeon Ehui, eds., Strategies for Sustainable Land Management in the East African Highlands. Washington, DC: International Food Policy Research Institute Press.

Seaman, J. (1993) Famine mortality in Africa, IDS Bulletin, 24, pp. 27–32.

Sen, A. (1981) Poverty and Famines: An Essay on Entitlement and Deprivation Oxford, Clarendon.

Sen, A. (1983). Development: Which way now? The Economic Journal, 93(373):745-762.

SID (Society for International Development) (2004). Pulling Apart Facts and Figures on Inequality in Kenya, 85pp.

Slater, R., Holmes, R. and Farrington, J. (2007). Social protection and growth: the agriculture case. Paper prepared for the 1st Annual Conference: Charlotte Manye Maxeke Collaboration Research and Capacity Building in the Economics of Social Protection, 12-15th June, 2007, Pilansberg, South Africa.

Smith, K., Barrett, C.B. and Box, P.W. (2000). Participatory Risk Mapping for Targeting Research and Assistance: With an Example from East African Pastoralists. World Development, 28(11):1945-1959.

Von Pischke, J., Adams, D. and Donald, D. (eds) (1983) Rural Financial Markets in Developing Countries: Their Use and Abuse, Baltimore: Johns Hopkins University Press.

World Bank. 2007. 'World Development Report 2008: Agriculture for Development', Washington DC: Oxford University Press.

Future Agricultures

This **Working Paper** was written by **Patrick Irungu, Lydia Ndirangu** and **John Omiti** of the **Future Agricultures Consortium**. The series editor is David Hughes. Further information about this series of Working Papers at: **www. future-agricultures.org**

The Future Agricultures Consortium aims to encourage critical debate and policy dialogue on the future of agriculture in Africa. The Consortium is a partnership between research-based organisations across Africa and in the UK. Future Agricultures Consortium Secretariat at the University of Sussex, Brighton BN1 9RE UK **T** +44 (0) 1273 915670 **E** info@future-agricultures.org



FAC appreciates the support of the
UK Department for International Development (DfID)