



# Future Agricultures Consortium

Policy and Process In Kenya

# Strategy for Revitalizing Agriculture: 2004-2014

- Need **Competitive Sectors**
- Require **Best Services**
- Focus **Government Vs Private Sector Roles**
  1. Legal and Regulatory Reform
  2. Reform of Parastatals and Govt Departments
  3. Reform of Agricultural Research and Extension
  4. Agricultural Inputs and Financial Services
  5. Agribusiness, Market Access, Value Addition
  6. Food and Nutrition Policy
- ASCU => 6 TWG's

# THE 2030 AGRICULTURE SECTOR STRATEGY

## • Vision and Strategy

### – Vision

- Innovative, commercially oriented and modern agriculture sector

### – Strategy

- **Institutional reform:** Transform key institutions into complementary and high-performing entities that enable private sector agricultural growth
- **Increase productivity:** Increase productivity of crops and livestock
- **Transform land use structure:** Better utilisation of High and Medium Potential Lands
- **Prepare new lands for cultivation:** Strategically develop irrigable areas of Arid and Semi-Arid Lands (ASAL) for both crops and intensified livestock
- **Increase access to markets:** Improve market access to small holders by establishment of aggregators (addressed in retail sector)

## • Flagship projects



2.1.

- Prepare and ensure passage of consolidated agricultural reform legislation



2.2.

- Develop and begin implementation of 3-tiered fertilizer cost reduction programme– purchasing and supply chain improvements; blending; manufacturing



2.3.

- Plan and implement 4-5 Disease Free Zones and livestock processing facilities

2.4.

- Create publicly accessible land registry

2.5.

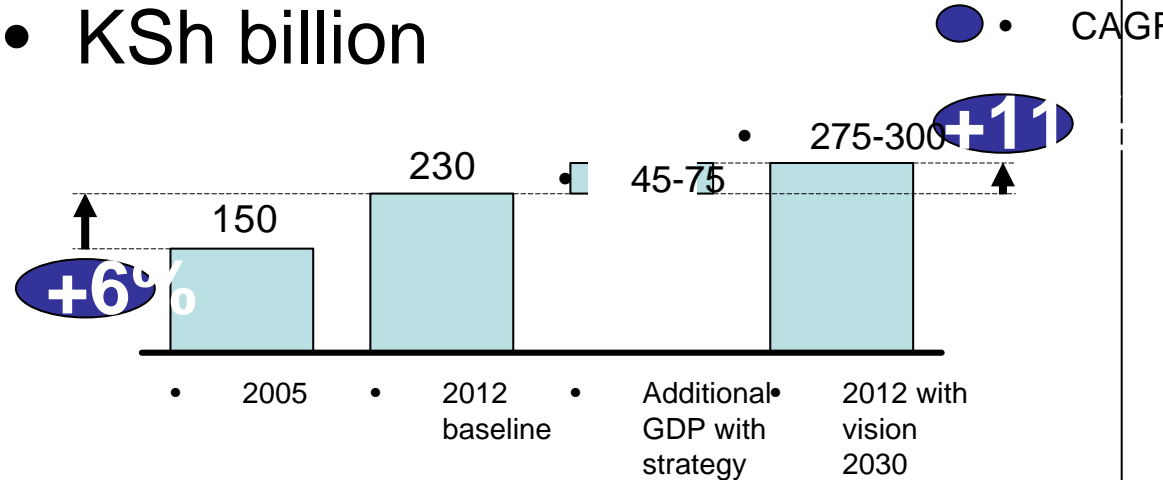
- Using land registry, develop agriculture land use master plan (e.g., crop specialisation plan)

2.6.

- Tana River Basin development scheme

## • Economics and impact

### • KSh billion



# SUCCESSFUL PASSING OF CONSOLIDATED AGRICULTURAL LEGISLATION CAN SET THE STAGE FOR LONG-TERM GROWTH IN AGRICULTURE

## • **From A Sector Where. .**

- Outdated laws designed to control Africans and limit competition with settlers remain in force half a century after independence
- Parastatals play multiple - often contradictory- regulatory, licensing, processing, marketing, promotion, and lobbying roles
- Government involvement hinders or discourages private sector investment
- Government institutions are the focus of policy but undertake multiple non-core functions inefficiently or ineffectively
- 31 parastatals, many with no logical reason to be part of government or even exist constrain competitiveness

## • **. . . To A Sector Where**

- Laws fostering agricultural competitiveness regulate the sector for the benefit of all Kenyans, domestic and foreign investors
- Functions are consolidated in an appropriate institution with clear, complementary and unambiguous roles and mandates
- Government involvement provides a stable but enabling policy and regulatory environment for private sector investment
- Facilitating private sector farmers and agribusinesses becomes the focus of government policy
- 7-9 Parastatals undertake clear, core government functions, roles and mandates

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# FARMER FUNDED PRODUCER ORGANISATIONS TRANSITION FROM PARASTATALS TO PRIVATE OWNERSHIP STRUCTURES MORE RESPONSIVE TO THE NEEDS OF THEIR 'OWNERS'

## • **Current situation**

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- Majority of agriculture commodity organisations are government parastatals funded by producers
- Numerous 'orphaned' or emerging commodity groups not represented
- Poorly managed organisations with overlapping functions providing minimal benefits to producers

- Reduction in government staff
  - Movement to private entity
  - Retirement
  - Natural attrition
  - Voluntary retrenchment

## • **2012**

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- Independent producer funded commodity organisations focused on:
  - Research
  - Extension
  - Lobbying
  - Creating markets
- Government funded and managed associations for emerging crops until can be self funded and spun-off
- Lean, high performing organisation working to increase value for the producers that fund them

# TRANSITION FROM GOVERNMENT AS SERVICE PROVIDER TO ROLE AS REGULATOR CAN MAKE EXTENSION SERVICES MORE EFFECTIVE

## • 2007

- KSh X bn on extension
- Significant provider of funds but well below NEPAD recommended levels
- Service provider where >90% of funds are used on overheads and the remaining on operations
- Limited results, competition, or accountability
- Driven by donors and government, not by market demand
- Minimal use of media (radio, internet, sms) for more cost effective information dissemination
  - Provide better quality service, but not well funded
  - No regulatory environment to prevent poor service
  - Poorest farmers cannot afford services

## • How to get there

- Reduction in government staff
- Movement to private entity
- Retirement
- Natural attrition
- Voluntary retrenchment
- Provide soft loans for government staff to set up extension provision companies with status as preferred providers
- Increase funding to NEPAD levels

## • 2012

- KSh X bn on extension
- Significant provider of funds at NEPAD recommended levels
- Minimal service provider, except for extension related to public health emergencies
- Regulator, coordinator, and evaluator for extension
- Majority of staff working in training development and program evaluation
- Majority providers of agriculture extension services for Kenya and region using all media available
- Government to subsidise extension for most needy farmers through competitive grants and to kick start extension service providers
- Market driven extension services

More innovative

\* Includes, not for profits, private entities, agricultural and livestock organisations and universities



# Inter Ministerial Consultation ? Why SO difficult

- Ministries of
  - Livestock and Fisheries Development
  - Agriculture, Cooperatives
  - Health, Local Government
  - Trade
  - Environment, Water, Lands
  - State Law Office
- State Corporations Advisory Committee
- Political WILL vs. Bureaucratic WILL NOT!

# Opposers – Loud Condemnation, + silent dagger in the back

- **“The bureaucratic elite”**
  - Public employees
  - Directors of State Corporations
  - Contractors and other beneficiaries
- Their MP’s Ministers and PS’s.
- Their Donors, NGO’s etc
- Part of Private Sector benefiting from Status Quo





# Allies – Muted Support

- “Reform’ Center in government
- Parliamentary Committee
- Some MP’s
- Parliamentary Opposition
- Minister, Assistant Ministers
  
- Producers Organizations
- Private Sector
- Development Partners



# What do Technocrats Do?

- New set of skills
- New channels of influence and access
- **OPPORTUNISM**
- Engage the public directly
- Infuse politicians speeches
- Persist – patience
  - Human resources, research and data, Long run processes