PFA REPORT

PUBLIC SPENDING IN AGRICULTURE IN KENYA:
Is it Beneficial to Small Scale Women Farmers?

actionaid

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Economic Affairs

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List of Abbreviations

AFC	Agricultural Finance Corporation
AGRA	Alliance for a Green Revolution in Africa
ARD	Agriculture and Rural Development
ASAL	Arid and Semi-Arid Lands
ASCU	Agricultural Sector Coordinating Unit
ASDS	Agriculture Sector Development Strategy
CDF	Constituency Development Fund
CSOs	Civil Society Organisations
ERSPWC	Economic Recovery Strategy Paper for Wealth and Employment Creation
FGDs	Focus Group Discussions
FSAESR	Facilitation and Supply of Agricultural Extension Services And Research
GAP	General Administration and Planning
GDP	Growth Domestic Product
GoK	Government of Kenya
IFAD	International Fund for Agricultural Development
IMAS	Information Management For Agricultural Sector
KWFT	Kenya Women Finance Trust
MCDM	Ministry of Cooperative Development and Marketing
MFD	Ministry of Fisheries Development
MFI	Micro Finance Institutions
MFW	Ministry of Lands (MoL), and the Ministry of Forestry and Wildlife
MLD	Ministry of Livestock Development
MMFS	Monitoring and Management of Food Security
MoA	Ministry of Agriculture
MTEF	Medium Term Expenditure Framework
MTIP	Medium Term Investment Plan
NAAIAP	Nation Accelerated Agricultural Input Access Programme
NALEP	National Agriculture and Livestock Extension Program
NGOs	Non Governmental Organisations
PLRAIO	Policy, Legal Reviews and Regulations of Agricultural Inputs and Outputs
PNRBA	Protection of Natural Resource Base for Agriculture
SACCOS	Savings and Credit Co-operative Societies
SRA	Strategy for Revitalizing Agriculture
SSA	Sub Saharan Africa

Executive Summary

This report is based on secondary research coupled with fieldwork among smallholder farmers in four select county governments-Baringo, Kakamega, Migori and West Pokot. The report examines how distribution of public spending in the agricultural is beneficial to the needs of smallholder farmers, especially women. The report assesses women access to agricultural extension and research services, inputs and credit. It further seeks to understand the participation levels of smallholders in the planning and budgeting decision on the agricultural sector.

The agricultural sector is the backbone of the economy contributing about 26% to the GDP and accounts for about 60% of total employment in Kenya. The sector is dominated by smallholder farmers, majority of whom are women. The sector has registered mixed performance in the last decade, with production levels affected by recurrent challenges including over-reliance on rainfall, over-segmentation of land, lack of agricultural credit, access to markets and technology and low public investment. To address these challenges, a new strategy, the Agriculture Sector Development Strategy 2010-2020 was developed in order to position the agricultural sector as the key driver of delivering the 10% annual economic growth as envisaged under the Vision 2030. Its overriding goal is to achieve a progressive reduction of unemployment and address the twin challenges of food insecurity and poverty in Kenya.

Government Spending on Agriculture

Budget allocation to the ARD sector rose by 56.6%, from Ksh 32.2 billion in 2009/10 to Ksh 50.4 billion in 2012/13 but declined considerably in terms of ratio of the national budget from 5.1% in 2009/10 to 3.6% in 2012/13. As a result, the Government of Kenya falls short of meeting the Maputo Declaration of allocating 10% of its budget to the agricultural sector. The increase in donors' participation from 1.9% in 2009/10 to 8.2% in 2012/13 is a signal for reduced domestic expenditure, potential risk for unpredictability, and low absorption rates for ARD sector ministries. Expenditure analysis shows that the bulk of ARD sector budget, over 40% is committed to the MOA over the four year period, followed at a distant by the MLD and the MFW which account for 18% apiece.

Overall, in the four-year period, there was an increase in expenditure for each respective ministry within the ARD sector. However, it is only the MoA (65%) and the MFD (74%) whose rising expenditure was higher than the ARD average increase of 56%. Further, with the exception of the MoL, development expenditure grew much faster than recurrent expenditure. On average, development budgets rose by 124% against 17% for recurrent spending which reveals intention to shift resource reallocation from recurrent to development expenditure. Focussing on MOA reveals that since on average about 58.5% of the MoA budget over the period 2009/10-2012/13 went to FSAESR, it is the sub-programme given the highest priority. As such, the focus of the MOA is to facilitate remuneration for extension workers at the district and provincial levels, their field offices and finance transfers to the various research organisations including KARI. There was a notable increase in the FSAESR's budget that was committed to development expenditure from 31.8% in 2009/10 to 58.2% in 2012/13. Generally, all the ministries within the ARD for the period 2009/10-2011/12 had high absorption rates over 80%. It is only the MoA and the MoF that utilised less than 80% of their approved budget in 2010/11 and in 2011/12 respectively. Notably the MoA which accounts for over 40% of the ARD sector budget recorded the lowest absorption rate, 81% over the period 2009/10-2011/12.

Access to Extension Services and Agricultural Research

The importance of agricultural extension services and research as a pillar to drive the sector towards the path of a dynamism and market-orientation is evidenced by the significant increase in budgetary allocation from Ksh 7.1 billion in 2009/10 to Ksh 15.2 billion in 2012/13. As a share of MOA budget, it increased from 50.4% to 68.8% over the same period. The bulk, 55.4% of the extension and research budget in 2012/13 went to cater for costs of district extension officers. However, the direction of this budgetary trend is dependent on the extent to which private sector will complement public institutions in providing extension service. Although there was no readily available information giving a breakdown of the number of farmers who benefited from extension service by sex, it was reported that for 2009/10 – 2011/12 period about 3.7 million farmers out of a target of 350,000 were reached. Additionally 12 agricultural training centres were modernized under the extension services sub-programme.

Access to agricultural credit

Smallholder farmers acknowledge the role that agriculture credit plays in boosting agricultural credit and hence the reason why a majority seek credit. FDGs in the four counties validated the fact that a majority of smallholder farmers, especially women had not benefited much due to a number of challenges in the supply of credit. For instance, in Baringo County about 3 out 10 farmers had never sought credit, while issues of high interest rates charged, low education, and awareness of source of credit were mentioned by farmers interviewed as barrier to credit seeking. The increasing importance of MFI/NGOs as a source of credit was confirmed by farmers interviewed from the four counties. In contrast to research showing dwindling importance of SACCOs, farmers in the four counties still regard them highly as a source of credit for farming. Although awareness of government initiatives was low, some farmers in Kakamega mentioned that through the *Kilimo Biashara* Loan Scheme, more than 137 farmers from one constituency benefited from loans advanced. Farmers mentioned the need for awareness creation and education on the available sources of credit among other issues towards making credit affordable. Given the lack of readily available information on policy and legal framework for agriculture credit, the Strategic Plan for the MOA reiterated the need of a legislation to address challenges in agricultural credit and efforts to strengthen commercial and micro finance institutions in order to accommodate small agricultural producers through ongoing schemes such as loan guarantees.

Agricultural Input Subsidy

Policy on agricultural input subsidy is driven by the NAAIAP which was launched in 2007. Out of a total of Ksh 4 billion investment into NAAIAP from both government and the EU, about 482,993 farmers benefited from input vouchers by 2012 which represented 7,650,582 production bags of 90kg. This translated to a 4 bags to 20 bags per acre increase in productivity and a decrease of the distance of accessibility to farm inputs from 15-35 km to 3-9 km. For the period 2012/13, Ksh 2.95 billion was budgeted with an aim of reaching 71,000 farmers, strengthening post-harvest market and value addition, and scale up of the NAAIAP E-coupon. There were challenges on the management of the Programme and monitoring is hindered by lack of gendered report on the beneficiaries.

Smallholder women farmers' participation in agriculture planning and budgeting

Majority of respondents in the four counties, Baringo, Kakamega, Migori and West Pokot were not aware and neither did they have information on how to participate in the planning and budgeting process at the national and the county level. In Baringo and West Pokot, farmers did not know that it was their constitutional right to participate and they thought budgeting was a domain for agricultural officers. A few farmers in Kakamega had some ideas with regard to participating in budgeting process through various awareness and sensitization forums conducted in their localities. This notwithstanding, majority of farmers identifies stakeholders forums, farmers association and extension services field days as some organized forums for participation. In Kakamega, some of the agricultural officers appeared to hold a misguided mindset that consulting farmers and the community in budgeting to be a waste of time since their understanding was low.

Farmers were largely aware of the various mechanisms and opportunities for the community to participate in the agriculture sector including the District Agricultural Committee meetings, Community Forest Associations as mentioned in Kakamega but participation was generally low. In fact, of the farmers in the FGDs, none had participated in any agriculture planning and prioritization meeting at the county. In terms of accessing credit and input subsidies, majority of farmers said that they benefited from a number of organizations including NGOs, MFIs such as Kenya Women Finance Trust and through government initiated "*Njaa Marufuku*" Programme.

The following are the recommendations suggested in this report:

1. Need to progressively scale up funding in the agricultural sector towards the 10% Maputo Declaration threshold.
2. Need to address low budget implementation for ARD by providing funds to clear arrears in pending bills and increasing capacity to improve completion rate of capital projects.
3. Design agricultural extension service and input subsidy programmes in such a ways as to ensure fairness in access and that targeting mechanisms ensure that women and the marginalised farmers are reached.
4. There is need for the Ministry of Agriculture to come up with tailored civil education campaigns and programmes for educating and sensitizing smallholders farmers, and in particular women farmers, in participatory budgeting on matters agriculture in order to promote their involvement levels.

Chapter One

INTRODUCTION

1.0 Introduction

The agricultural sector in Kenya remains the cornerstone of the economy despite mixed performance over the last decade. This sector directly contributes 26 percent of the Growth Domestic Product (GDP) and 27 percent indirectly from knock on effects involving manufacturing, distribution and other related service sectors. Moreover, it provides 18 percent and 60 percent of the formal and total employment respectively and is the major source of revenue for about 75 percent of the Kenyan population. Evidently Kenya can be defined as an agricultural based economy, albeit improving growth and performance of the other sectors, in particular the service sector.

Agriculture in Kenya like in most African countries is dominated by smallholder farmers. According to Altieri (2009), smallholder farmers produce more than half of the global food supply from a small portion of the farmable land available. Contribution of women who on average comprise about 43 per cent of the agricultural labor force of developing countries[1] is significant to the performance in the agricultural sector. In Kenya, smallholder farmers occupy the majority[2] of land and produce most of the crop and livestock products. The smallholdings are estimated to employ 60 percent of the labour force, produce about 70 per cent of marketed output and produce their own food which constitute about 75% of their domestic consumption (RoK, 2005; CUTS, 2009 and Salami et al, 2010).

Studies[3] show that generally, smallholder farmers are characterized by challenges of low productivity attributed to lack of access to markets, credit, and technology and in recent years compounded by volatile food and energy prices at the international markets. According to World Bank (2007) the average farmer in Sub Saharan Africa (SSA) produces only one tonne of cereal per hectare less than half of what an Indian farmer produces, less than a fourth of a Chinese farmer's production and less than a fifth of an American farmer's production.

The agricultural sector in Kenya today still faces many challenges, especially because of the high proportion of farmers relying on rain-fed agriculture and that a too important share of the agricultural production is made of raw products, losing all the potential revenue derived from value addition. Moreover, inaccessibility of credit by farmers coupled with over segmentation of land constraints agricultural growth due to low investment. As such, low productivity of the agricultural sector translates into a low competitiveness on the international markets. The lack of infrastructure, the recent effects of the climate change and the fluctuation in prices also tend to be damaging to agricultural production. It is also well documented that low public investment in agriculture sector is a major constraint to agricultural productivity in Kenya. For example, Ogalo (2012) and KEPCO and CGD (2010) show that between 2003/04 and 2008/09 that the share of agriculture in government budgets averaged between 4 and 6 per cent. This clearly shows that

1 FAO 2011
2 There was no readily available information with regard to the composition of landholdings by the smallholders, big estates, proportion that has been grabbed and so on.
3 Salami et al, 2010

Kenya is far below the Maputo Declaration commitment to allocate at least 10 per cent of its national budget to agriculture sector. Harvey (2006) notes that due to the strong linkage between agricultural productivity; poverty levels especially among small-scale farmers and economic growth, low agricultural productivity may perpetuate poverty levels.

1.1 Background

1.1.2 Government policy in the Agricultural Sector

The agricultural sector in Kenya spans crop production, livestock development, fisheries, land management and co-operative development, aligned to the six ministries under the Agriculture and Rural Development Medium Term Expenditure Framework (MTEF) sector[4]. The design of the Kenyan agricultural policy is based on several plans and strategies, each focusing on a specific time period with short or long-term objectives. The government's broad goal for the agricultural sector in line with the Vision 2030 is *"an innovative, commercially oriented and modern agriculture sector"*. To this end the current policy and institutional framework guiding the sector is the Agriculture Sector Development Strategy (ASDS, 2009-2020) which emanated from a revision of the Strategy for Revitalizing Agriculture (SRA, 2004-2014) to reflect the aspirations of the Vision 2030.

The government developed and launched the Strategy for Revitalizing Agriculture (SRA) 2003-2007 in 2004 as a follow up to the Economic Recovery Strategy Paper for Wealth and Employment Creation (ERSPWC, 2003-2007), the economic development blueprint for the country then. The vision of the strategy was to transform agriculture into a profitable, commercially oriented and internationally and regionally competitive economic activity that provides high quality, gainful employment to Kenyans (RoK 2010, ASDS 2010-2020).

It is during the implementation of the SRA that the Agricultural Sector Coordinating Unit (ASCU) was established to coordinate cross-cutting issues across ministries, one of which is gender concerns. As such the Strategy acknowledged the need to mainstream gender into all plans and programmes within the sector in order to empower women and the youth and in turn promote gender equality. In order to position the agricultural sector as the key driver of delivering the 10% annual economic growth as envisaged under the Vision 2030, a new revised and revamped strategy –the Agricultural Sector Development Strategy 2010-2020 as the policy and institutional framework guiding the Agriculture and Rural Development (ARD) sector was developed. Its overriding goal is to achieve a progressive reduction in unemployment and address the twin challenges of food insecurity and poverty in Kenya.

The ASDS indicates various challenges and strategic focus to deal with these challenges under the following sub sectors: crops and land development; livestock, fisheries, cooperatives and private sector participation. It also details production factors including better land use and improving water resources and irrigation and also acknowledges the need to have gender specific interventions as enabling factors for improved agricultural production. In this regard some of the sector's key policy goals to address the foregoing challenges include: raising agricultural productivity through

4 The ministries include: Ministry of Agriculture, Ministry of Fisheries; Ministry of Livestock Development; Ministry of Cooperative and Marketing Development; Ministry of Forestry and Wildlife and Ministry of Lands

increased resource allocations; exploiting irrigation potential; increased commercialization of agriculture; undertaking a comprehensive review of the legal and policy framework for agriculture; improving governance of agricultural institutions; and land development.

1.2 Study Objectives

This report seeks to review the distribution of public spending in the agricultural sector and also establish the extent to which smallholder women farmers participate in influencing decision making and financing processes. The specific objectives include:

1. To determine the overall agriculture budget of the government in terms of prioritization, progression, utilisation and value from 2009 to 2012.
2. To find out government's expenditure in agricultural research, agricultural extension services, agricultural input subsidy, agriculture credit, agriculture labour saving technologies (including climate change adaptation) and practices from 2009-2012.
3. To ascertain the proportion of government's expenditure that benefits smallholder farmers and smallholder women farmers through agricultural research, agricultural extension services, agricultural input subsidy, agriculture credit, agriculture labour technologies and practices from 2007-2009.
4. To determine the level of participation of smallholder women farmers and civil society organisations (CSOs) in agriculture planning and budgeting
5. To establish women smallholder farmers' knowledge of and public perception of the effectiveness of the Government of Kenya (GoK) and bilateral donor financing of the agriculture sector.
6. To generate recommendations based on findings of the survey and options for increasing efficiency and effectiveness of public and donor financing in the agriculture sector that favours smallholder women farmers in the context of the current constitutional realities.

Chapter Two

METHODOLOGY

2.0 Methodology

The conceptual framework for this study involved two processes. The first was to assess a trend analysis of the agricultural sector budget over a four year period. The budget for the agricultural sector was further disaggregated to establish proportionate spending in the areas specified in objective 2 above so as to understand the government's focus in spending in the agricultural sector and whether this was consistent to agricultural policies and more importantly whether spending is responsive to the needs and priorities of smallholder women farmers. The second process entailed determining the level of participation in the agricultural sector by various stakeholders' in particular smallholder women farmers and civil society organisation in agriculture planning and budgeting. Part of this process also involved examining whether spending in the sector was benefiting smallholder women farmers as well as their overall knowledge of development financing sources.

2.1 Types and Sources of Data

The study relied on both secondary and primary data. We used the Estimate of Recurrent and Development Expenditure for financial years 2009/10 to 2012/13 as the primary sources of government expenditure and supplemented this with other budget documents including various issues of the MTEF Agriculture and Rural Development sector reports for the period 2010-2012. Furthermore we also relied on additional reports, namely: policy documents on extension services, respective strategic plans and the overall the current policy document, the ASDS 2010-2010 to understand the context of the agricultural sector.

With regard to realising study objectives three to five, we conducted focus group discussions (FGDs) with smallholder farmers in four counties where ActionAid works. These counties were West Pokot, Baringo, Kakamega and Migori. ActionAid mobilised the farmers for the focus group discussions in which majority of discussants in each county were women. Besides FGDs we also conducted key informant interviews with the respective County Executive members in charge of agriculture, agricultural officers, livestock officers, and forestry and water officers. To validate this information we also reviewed relevant literature and studies published in the region and specifically in Kenya in the aforementioned.

2.2 Limitation of study

In the process of gathering information for this budget analysis report, we noted some issues as follows:

- **Data Availability:** Access to data from the government officials at the county level posed a challenge. Most of the data required was either not available or there was a lack of willingness from the officers to release the data which is against the spirit of new constitution of access to information. In addition, information on secondary data on agricultural sector allocation is mostly aggregated and thus makes it difficult to conduct disaggregated analysis especially for sub-national level. Again due to the presentation of data, line item approach the interpretation of the analysis is largely deductive.

- **Time constraints**: The research assistants did not have sufficient time to carry out the key informant interviews especially those that involved count government officials. For example, the fieldwork coincided with the swearing in of the county government executive officials in one of four select county governments.

- **Limited knowledge of county contextual information:** in the transition to devolved system of government, some government officials were seconded from the national government or other counties to new ones. As such some of them understood agricultural issues they had not been involved in local level county government agricultural context.

- **Language barrier:** communication during the focus group discussion was limited due to language barriers especially for rural area women. This as a result led to inability to extract maximum information by majority of smallholder farmers or limited engagement. .

Chapter Three

STUDY FINDINGS

3.0 Study Findings

3.1 Government Spending on Agriculture

Public investment in the agricultural sector is crucial to agricultural productivity, which is documented as a necessary condition for poverty alleviation. In this section we undertook an analysis of budgetary allocation to the six main ministries that constitute the ARD sector. Other ministries such as the Ministry of Water and Irrigation or the Ministry of Environment and Natural Resources might also be involved in projects concerning agriculture but their analysis was not be considered in this study. The analysis covers a period lasting from 2009 to 2013 using data on actual expenditures for the period 2009/2010 and on approved budget estimates for the periods 2010/2011, 2011/2012 and 2012/2013.

Firstly, the trend in expenditure of the whole ARD sector was analysed and compared iwith the total budget of Kenya and with the objectives stated in the Medium Term Investment Plan 2010-2015 (MTIP). Consequently the study went into details to focus on the expenditures of the six ministries embodied in the ARD sector and related them to the actual achievements using the Report for the ARD Sector 2013/2014-2015/2016. With regard to the details required to establish government spending in agricultural inputs and how these benefit smallholder women farmers.

Over the 2009/10-2012/13 period, Kenya's total budget increased by 131% reaching Ksh 1,459.9 billion in 2012/13 from Ksh 634 billion. Over the same period, the total budget of the ARD sector only rose by 56.6% to reach Ksh 50.4 billion in 2013. But despite the growth of the ARD budget, as a ratio of the total budget it declined considerably from 5.1% in 2009/10 to 3.5% in 2012/13.

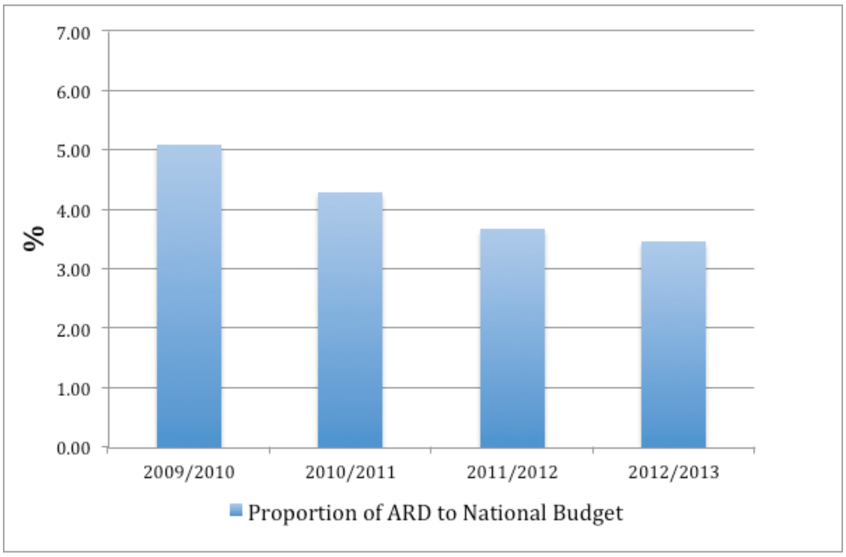

Figure 1: ARD Budget as a Share of the National Budget (2009/10-2012/13

From the graph above, the Government of Kenya not only falls short of meeting the Maputo Declaration of allocating 10% of its budget to the agricultural sector but also the ratio has been declining. This is also contrary to policy reports and declarations that consider agriculture as Kenya's economic mainstay. Moreover, donors' participation in the ARD sector increased from 1.9% in 2009/2010 to 8.2% in 2012/2013, implying that domestic expenditures in agriculture reduced significantly. This last point is particularly important since donors' participation is not always reliable, especially regarding its actual availability, and thus lowers the absorption capacity of ministries as shown in the next section.

According to the objectives of the Medium Term Investment Programme (MTIP), the Kenyan government should spend Ksh 161.22 billion on development issues and Ksh 145.59 billion in recurrent expenditure over the period 2010-2015. However, it appears that in 2012/13, assuming that 100% of the approved budget has been used (it is a very optimistic assumption since the average absorption capacity usually lies between 75.4% and 90%), Ksh 71.72 billion will have been spent on development and Ksh 63.8 billion on recurrent expenditure, which represent only 45% of the objective. Even if the MTIP involves ten ministries, hence some expenditure might be missing from the above figures, achieving MTIP goals will be really challenging. Indeed, it would require yearly development expenditure increasing by 187% and yearly recurrent expenditure increasing by 192% for the two remaining years. This is a long shot as the budget of the ARD sector only rose by 18% over the 2010-2013 periods. As such it is currently difficult to figure out how the government will be able to meet its commitment.

In this section we analyse further the expenditure of each ministry that constitutes the ARD sector with a particular attention to the development expenditure over recurrent expenditure ratio.

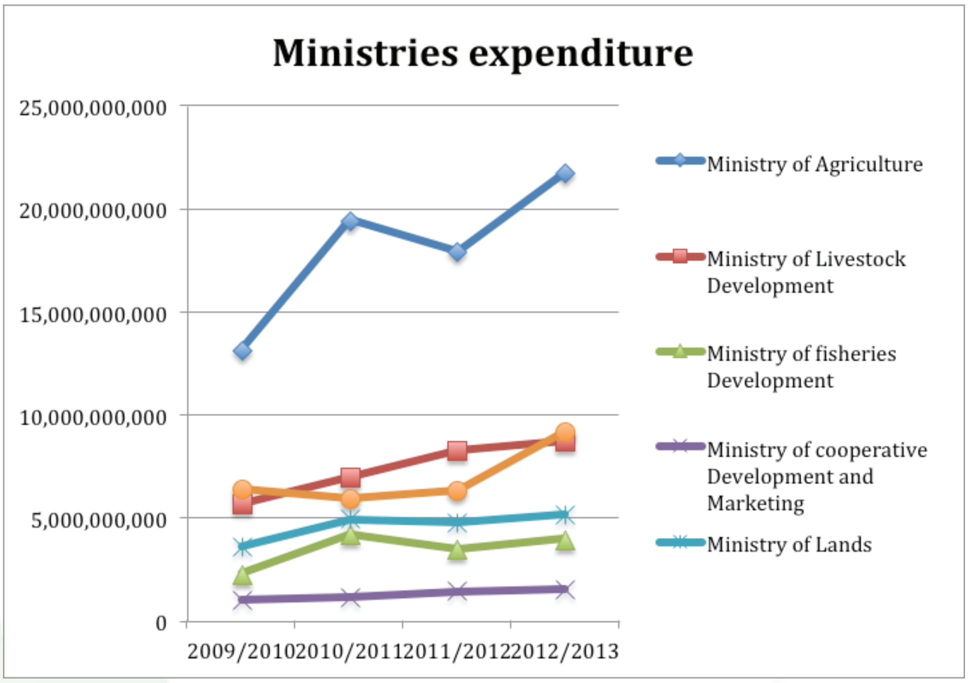

Figure 2: Expenditure Trends (2009/10-2012/13) by Ministries with the ARD Sector

First of all, in the period 2009-2013, the expenditure of the Ministry of Agriculture (MoA), the Ministry of Livestock Development (MLD), the Ministry of Fisheries Development (MFD), the Ministry of Cooperative Development and Marketing (MCDM), the Ministry of Lands (MoL), and the Ministry of Forestry and Wildlife (MFW) increased by 65%, 54%, 74%, 51%, 44% and 43% respectively compared to an average increase for the ARD sector of 56%. Regarding the comparison between development and recurrent expenditure it is noted that, except for the MoL, development expenditure grew much faster than recurrent expenditure. On average, development budgets rose by 124% against 17% for recurrent spending which reveals intention to shift resource reallocation from recurrent to development expenditure. Indeed, while in five of the six ministries recurrent expenditure exceeded development expenditure in 2009, this ration was reversed by 2013 for the MoA, the MFD and the MCD, which account together for almost 70% of the total ARD sector budget. It is only the MCDM whose budget is still heavily skewed to recurrent expenditure (78%) but at least in line with the ministry's goal, programmes and activities that are recurrent in nature relative to the other ministries.

Donor participation varies across ministries both in terms of magnitude and trend. While donors increased their participation in the budget of the Ministry of Forestry and Wildlife by 3416% to account for 24% of the total budget of this ministry in 2013, they do not provide any significant support to the Ministry of Cooperative Development and Marketing and they account for less than 4% of the budget of the Ministries of Fisheries Development and that of Lands. These disparities result mainly from differences in development investments as donors only participate through development budgets. However, while the Kenyan government expects Kenya's partners to commit at least Ksh 77 billion of the MTIP expenditure, it is not clear whether donors' participation in the ARD sector is included (over the period 2010/2013 donors contributed to Ksh 12 billion to the ARD sector). If it were the case, it would further lower the probability that MTIP expenditure commitments are met.

Regarding the share of each ministry in the total ARD budget, it did not change much over the period of interest. The MoA accounts for slightly more than 40% of the total budget of the ARD sector followed by the MLD and the MFW whose budgets account for 18% apiece of the ARD sector budget.

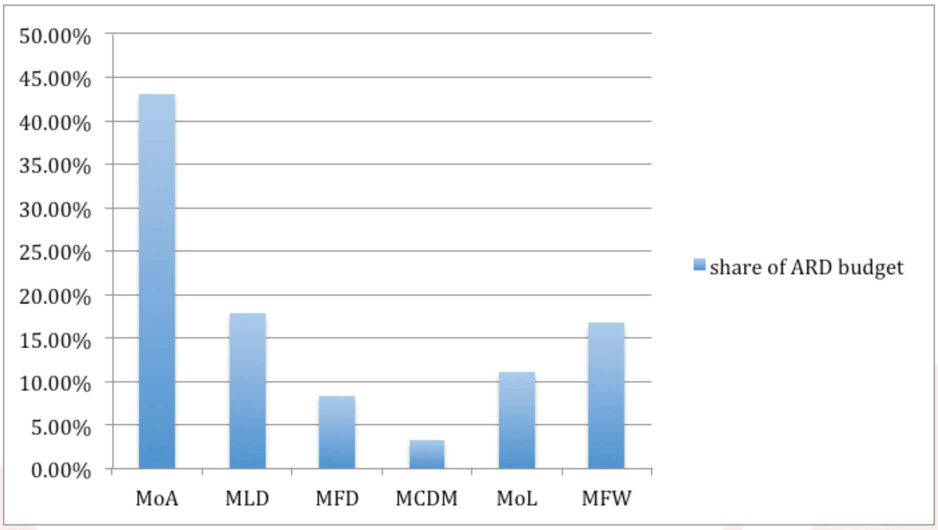

Figure 3: Average Share of ARD Budget over the Period 2009/10-2012/13

3.2 Disaggregated Spending on Agriculture

As it is by far the most important ministry of the ARD sector, we will focus more in detail on the MoA. Spending in the ministry is shared among six sub-programmes, namely: General Administration and Planning (GAP), Policy, Legal Reviews and Regulations of Agricultural Inputs and Outputs (PLRAIO), Monitoring and Management of Food Security (MMFS), Facilitation and Supply of Agricultural Extension Services and Research (FSAESR), Information Management for Agricultural Sector (IMAS) and Protection of Natural Resource Base for Agriculture (PNRBA). Table 4 shows that the bulk, on average 58.5% of the MoA budget over the period 2009/10-2012/13 went to FSAESR, with allocation to IMAS of 15.8% on average coming a distant second. Matters with regard to PNRBA received the least allocation over the same period.

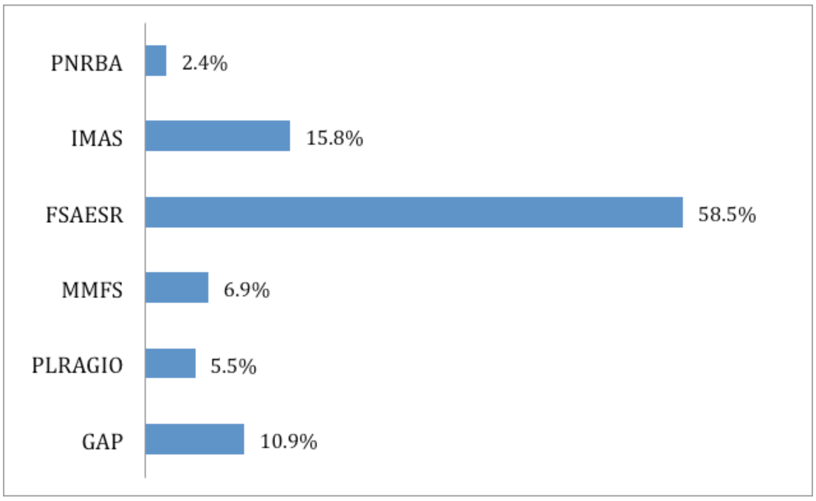

Figure 4: Composition of MOA Budget for the Period2009/10-2012/13

What this means is that other than spending on GAP, the priority by the MoA was in FSAESR, largely towards remuneration for extension workers at the district and provincial areas, their field offices and funds to facilitate their work and partly as transfers to the various research organisations including KARI. There was an increase in the FSAESR's budget that was committed to development expenditure from 31.8% in 2009/10 to 58.5% in 2012/13. Further breakdown of the MoA recurrent expenditure shows that over 60% goes towards payment of salaries for provincial and district agricultural extension officers and in other recurrent expenditure such as administration, transport and so on.

The foregoing section has shown the distribution and expenditure trend in the ARD sector and for the ministries that constitute this sector. It is however also important to assess the extent to which funds allocated are being utilised or absorbed (efficiency) in each respective ministry in order to have an idea of how funding translates to outputs and outcomes. Table 1 shows the budget estimates and the actual expenditure of each ministry of the ARD sector over the period 2009/2010 – 2011/2012.

Table 1: Total Expenditure and Absorption Rates by ARD Sector Ministries (Ksh Million)

	2009/2010		2010/2011		2011/2012	
	Approved Budget	Actual Expenditure	Approved Budget	Actual Expenditure	Approved Budget	Actual Expenditure
Agriculture	15,306	12,752	23,028	17,317	20,880	17,853
		83%		75%		86%
Cooperatives	1,137	1,028	1,205	1,160	1,347	1,202
		90%		96%		89%
Fisheries	1,953	1,784	3,797	3,035	3,149	2,326
		91%		80%		74%
Lands	3,868	3,608	5,503	4,992	6,032	5,873
		93%		91%		97%
Livestock	6,359	5,099	7,795	6,488	7,820	7,016
		80%		83%		90%
Forestry	6,977	6,389	7,951	7,096	9,052	7,795
		92%		89%		86%
Research and Development Programmes (*)	5,051	4,722	6,670	5,849	7,293	6,530
		93%		88%		90%
TOTAL	**40,651**	**35,382**	**55,949**	**45,937**	**55,573**	**48,595**

Source: Various issues of Estimate of Recurrent and Development Expenditure and Appropriation Accounts
(*) KARI, KEFRI, KMFRI, KESREF,TRFK, CRF

Comparing approved budget estimates with actual expenditure enables one to compute the absorption capacity of the ministries – that is the proportion of allocated funds which has been spent – and therefore to infer about their efficiency at managing funds. Table 1 shows that generally, all the ministries within the ARD for the period 2009/10-2011/12 had commendably high absorption rates, over 80%. It is only the MoA and the MoF that utilised less than 80% of their approved budget in 2010/11 and in 2011/12 respectively. Notably the MoA which accounts for over 40% of the ARD sector budget recorded the lowest absorption rate, 81% over the period 2009/10-2011/12.

Table 2: Absorption rate for Recurrent versus Development Expenditure for ARD Ministries (Ksh Million)

	2009/2010				2010/2011				2011/2012			
	Recurrent		Development		Recurrent		Development		Recurrent		Development	
Agriculture	8098	7918	7208	4834	8570	8328	14458	8989	8668	8840	12212	9013
		98%		67%		97%		62%		102%		74%
Cooperatives	951	876	186	152	1059	1011	146	149	1129	1004	218	198
		92%		82%		95%		102%		89%		91%
Fisheries	732	672	1221	1112	654	635	3143	2400	873	675	2276	1651
		92%		91%		97%		76%		77%		73%
Lands	1735	1613	2133	1995	2062	1994	3441	2998	2211	2148	3821	3725
		93%		94%		97%		87%		97%		97%
Livestock	4691	4112	1668	987	3686	3612	4109	2876	4042	3468	3778	3548
		88%		59%		98%		70%		86%		94%
Forestry	4285	4264	2692	2125	5160	5148	2791	1948	5328	5296	3724	2499
		100%		79%		100%		70%		99%		67%
Research and Development Programmes (*)	3825.8	3826.2	1225	896.29	4344.3	4275.5	2326	1573	4425	4450	2868	2080
		100%		73%		98%		68%		101%		73%
TOTAL	24318	23281	16333	12101	25535	25004	30414	20933	26676	25881	28897	22714

Source: Various issues of Estimate of Recurrent and Development Expenditure and Appropriation Accounts

(*) KARI, KEFRI, KMFRI, KESREF, TRFK, CRF

Disaggregating expenditure into recurrent and development components gives a different absorption rate picture. It is generally easy to absorb or utilise recurrent expenditure items as compared to development expenditure whose timelines and implementation is uncertain. As a result, absorption capacities tend to be lower when it comes to development expenditures. This is confirmed by Tables 2, which shows that on average, absorption capacities of ministries within the ARD sector absorption rates range from 93% to 95% for recurrent expenditures against 76% to 81% for development expenditures over the three year period of interest. Some of the probable causes for low absorption rate for development could be due to pending bills and non completion of capital projects[5].

The section that follows will discuss in details the main agricultural inputs, spending in these inputs and how smallholder women farmers have benefitted from expenditure in these inputs. It is well documented that access and adoption of technology is significant in increasing agricultural yields. These technologies are usually based on the use of agricultural inputs especially fertilizer, seed and extension services or other sources of information (Doss 1999). Among other things decisions about technology adoption are affected by access to land and the security of land tenure. Doss (1999) further notes that credit is in turn often needed to finance some of these inputs.

3.2.1 Access to Extension Services and Agricultural Research

Extension services and research and development have been acknowledged as two of the major pillars to drive the Kenyan agricultural sector onto the path of a dynamic and market-oriented agriculture.

Budget for extension and research services increased from Ksh 7.1 billion in 2009/10 to Ksh 15.2 billion in 2012/13. As a share of MOA budget, allocation to the extension and research increased from 50.4% to 68.8% over the same period. However, the total FSAESR budget for 2012/13 included allocations to the Headquarters Extension Research Liaison and Technical Building Services, National Agriculture and Livestock Extension Programme II and Smallholder Horticulture Marketing Programme sub-sub-sectors that were added to it in 2012/13.

Further breakdown of extension and research services shows that the bulk of the budget, 55.4% in 2012/13 is going to the “District Agricultural Extension Service” department to cater for cost of district extension officers at the district level. This trend is expected to be maintained in the short to medium term, depending on how the private sector will complement the public institutions in provision of extension services. Indeed, in its National Agricultural Sector Extension Policy report of 2012, the Kenyan government expressed the will to privatize and regulate extension services, implying that the private sector becomes the major provider of extension services. It is expected that the research component should follow in the same trend as the extension service component since it is described as one of the major means of reaching agricultural growth Vision 2030 objectives

According to Medium Term Expenditure Framework 2013/2014 – 2015/2016 (MTEF) sector report, the Crop Development Management Programme, which embodied crop development,

5 Ministry of State for Planning, National Development b and Vision 2030 (2010) Public Expenditure Review: Policy for Prosperity pp 146

food security, extension services and agricultural research, saw its actual expenditure increased by 62 % over the period 2009/10-2011/2012. As a result of this spending under the Programme Crop Development and Management, the Sub Programme on Land and Crops Development promoted 14 new appropriate ASAL (Arid and Semi-Arid Lands) technologies over the period 2011/2012 but failed to meet its objectives in terms of water infrastructures construction. Further the sub-programme on food insecurity surpassed its objective over this period by procuring and distributing 3,171 millions of assorted traditional seeds. According to the ARD Sector report (2012) in the period 2009/10 – 2011/12, as far as extension services agriculture extension services, which was pointed out as a key interventions to help farmers graduate from subsistence agriculture and improve their living condition, reached 3.7 million farmers by 2012, exceeding the corresponding MTIP objective by 350,000. Livestock extension services enabled 129,165 farmers to be visited by technical experts and 2,500 field days exhibition were organized. In addition 12 agricultural training centres were modernized under the extension services sub-programme. However there was no information on the composition of the number of farmers who benefited from extension service by sex and region. According to the sector report, the good performance is partly due to stronger collaborative activities and to the different initiatives undertaken by various stakeholders to prevent food shortages. Part of spending under FSAESR went towards conducting five forums and 10 meetings were to discuss agricultural research issues and dissemination of 35 new staple crops varieties for commercialization.

3.2.2 Providing Agriculture Credit

The role of credit in the contribution to food productivity levels cannot be overemphasised. In fact the lack of capital and access to affordable credit is cited by smallholder farmers as the main factor behind the low productivity in agriculture (Salami et al, 2010). For rural households, when it comes to demand for credit, Kibaara (2005/06) shows that majority of them seek credit for farming purposes as they derive their livelihood from farming. Further access to agricultural credit according to Kibaara (2005/06) is skewed towards the more productive agro ecological zones and households in the high potential areas.

As far as the supply for agricultural credit, Kibaara et al (2008) found that by 2007, the market share for agricultural credit was still dominated by commodity based credit providers (48.7%) followed by informal lenders and local traders both at 30.3%. The importance of co-operatives/ SACCOs as a source of agricultural credit declined from 21.9% in 2004 to 10.3% in 2007. In contrast Agricultural Finance Corporation (AFC) seemed to have gained in importance as a source of agricultural credit to households from 1.7% to 5.2% over the same period. There were similar improvements from Micro Finance Institutions-MFIs and NGOs and commercial banks however unlike in manufacturing, trade, and other service sectors, the share of commercial banks lending to agriculture is still low about 2.5% in 2007 as farming is viewed to be a risky venture.

It is not clear from various agriculture sector reports whether there exists clear policy and legal framework on agriculture credit. What the Strategic Plan 2008-2012 for the Ministry of Agriculture says is that it will advocate for appropriate legislation to encourage commercial and micro finance institutions to accommodate small agricultural producers. The Ministry stresses that it will guarantee loans given to farmers by commercial banks and support mobilisation of financial resources through SACCOS, strengthen the operational and lending capacity of AFC and other community based lending systems in order to broaden the lending base for farmers.

Some of the current initiatives intended to improve credit access to farmers according to reports from the Ministry of Agriculture show that the Ministry has signed a credit guarantee scheme with four financial institutions to facilitate credit extension for farmers in the agricultural sub sector. This has been accomplished through the *Kilimo Biashara* partnership, where the government and development partners have provided credit guarantee to these four commercial banks to enable them to provide large loans at affordable rates. For instance, one of the reports from the Ministry of Agriculture website shows that Equity Bank in partnership with the government, Alliance for a Green Revolution in Africa (AGRA) and International Fund for Agricultural Development (IFAD) was given a credit guarantee of Ksh 212 million which enable the bank to give Ksh 2 billion as loan to farmers. Although the period was not indicated, the report from the Ministry of Agriculture has given credit to 39,238 small scale farmers, 1,257 large scale farmers and 364 agro dealers.

Smallholders farmers interviewed from four select counties gave varied information with regard to agriculture credit. In Baringo County, the reason why farmers were unable to take up loans was due to the high interest rates (18%) charged by Boresha and Kenya Women Finance Trust (KWFT) as some of the key sources of credit. Further they intimated that the amount of loans that farmers qualify for are way smaller than what they applied. For instance if they apply for a loan of Ksh 50, 000 they would end up qualifying for say a half of the amount applied for thus scuttling their initial plans. Some farmers further added that taking loans was risky because in the event of defaulting payment they would end up losing their pieces of land and properties through auction. From the FGDs in Baringo, about 3 out of 10 of the farmers had never taken loans because what is advertised and what is provided by the banks do not match. According to the farmers in the FGDs, the information is misleading or false. Furthermore majority of women smallholder farmers also felt that due to lack of title deeds or other collateral they are discriminated against qualifying for loans.

Majority of the smallholder farmers in the FGDs commended the presence of NGOs in supporting and uplifting farming in these areas. For example they cited ActionAid as being instrumental in empowering smallholder farmers who are in groups to engage in greenhouse farming as well as expand their crop and livestock production through provision of knowledge on marketing and value addition. Other NGOs such as the World Vision were noted for their enviable work on provision of water. The community felt there has been inadequate resource allocation from the government in the agricultural financing and priorities should be reviewed. They lauded efforts by various NGOs in uplifting agriculture. Overall respondents from the other three counties validated views from Baringo with \ additional challenges to accessing agriculture credit identified as: lack of supply of information from the financial institutions, farm size, time to process credit, account requirement, repayment period and credit amount.

Some of the sources of agriculture credit present in Baringo included: Boresha Teachers Sacco, Kenya Women's Finance Trust, Faulu Bank, Non-governmental organizations like ActionAid and the government had a program dubbed '*Njaa Marufuku* Kenya'. As a far Kakamega County was concerned some of the available financing schemes included:

- Subsidized fertilizer from the Ministry of Agriculture which has existed over the last three years.
- *Njaa Marufuku* Kenya grants to farmers

- Equity bank *Kilimo Biashara* which give loan to farmers. In the year 2012, more than 137 farmers benefited from the loan in Khwisero constituency.
- Western Kenya community driven project and flood mitigation – made farmers in the county access credit for agricultural projects and food production.

In the end of the FGDs discussants made a number of suggestions. One, they called for increased government intervention in financing farmers through better subsidies and public private partnership. Though they lauded government initiated projects such as on '*Njaa Marufuku* Kenya project' they suspected its low impact was due to funds embezzlement. They further noted that provision of agricultural credit to farmers in the four counties could be increased by educating the farmers on the various available sources of credit facilities as majority were not sure about funding by the government, timely issue of credit funds and improvement of the repayment method as well as increasing the amount of credit. Majority also noted that farmers in the high potential areas across the four counties visited take up more loans to boost agricultural productivity than those in the low potential areas.

3.2.3 Agricultural Input Subsidy

Kenyan agricultural policy is principally driven by the Nation Accelerated Agricultural Input Access Programme (NAAIAP), which was launched in 2007. It mainly focuses on providing eligible smallholder farmers with improved seeds and fertilizer in order to lift them out of subsistence farming and promote market-led agriculture. To encourage investment and capacity extension, several financial institutions, both public and private, guarantee easy access to credit for farmers at low interest rates. The GoK, the World Bank and the European Union are the major sources of funding of the NAAIAP that accounted for about Ksh 4 billion by 2012[6]. According to the GoK, in 2012, 482,993 input vouchers (i.e. reached farmers) have been allocated since 2007 representing 7,650,582 production bags of 90kg, which led to a 4 bags to 20 bags per acre increase in productivity and a decrease of the distance of accessibility to farm inputs from 15-35 km to 3-9 km. For the period 2012/2013 Ksh 2.95 billion was budgeted with an aim of reaching 71,000 farmers, strengthening post-harvest market and value addition and scale up of the NAAIAP E-coupon.

Generally farmers are appreciative of the Programme but have also raised some complaints, especially with regard to corruption, cronyism and supply of unsuitable seeds and fertilizer. There was however not much from farmers with regard to suggestion on how to address these complaints. Moreover, the assumptions[7] made by the GoK that Western regions would yield a maize surplus and that poor smallholder farmers will use additional income from maize surplus to invest in inputs for the following year are not evidence-based and may not be realized. The policy statement of a preferential treatment for women farmers benefit in input subsidy programmes remains unclear, as most of the reports of the GoK do not mention any gendered difference in term of voucher allocation.

6 "NAAIAP Commercializing Smallholder Maize Production: *Where Does The Shilling Fall?",* Regional Workshop on Integrated Policy Approach to Commercializing Smallholder Maize Production, Norfolk Hotel, on June 6-7, 2012.
7 "Can Agro-dealers deliver the Green Revolution in Kenya?", Future Agricultures, Policy Brief.

3.3 Smallholder Women Farmers Participation in Planning and Budgeting

The importance of multi stakeholder approaches or inclusive consultations in policy, planning and budgeting processes for sustainable development has gained currency over the last decade. Increased openness and public participation in policy formulation is likely to be more demand driven and also likely to ensure that there is ownership, thus improving chances of success[8]. Given the onset of devolution in Kenya, participation processes and structures are expected to be systematic going forward. The following section discusses responses from smallholder women farmers in four select counties with regard to their overall understanding of the budget process and their participation in agricultural planning and budgeting.

3.3.1 Baringo County

Level of smallholder women farmers' participation in agricultural planning and budgeting

Following a FGD with smallholder farmers in Baringo, majority did not know that it was their right to participate in budget planning, as provided in the constitution, in the public finance management law and in other existing laws. Those who had an idea did not know the various points or opportunities available as well as the dates for any citizen to engage in the budget process. There is need for civic education on the role of citizens especially the vulnerable groups in the budgeting process. Further, for publicity and wide outreach some of the respondents proposed the need to place notices for meetings in clear, open and easily accessible areas.

With regard to county level budgeting, this was highly lauded as a way to enhance citizen participation as county governments are closer to the community than the national government. Respondents in the FGD showed some interest in county budget process but their interest was dampened by the fact that majority of them do not know how to go about giving their input. A few of them especially those who live in remote areas still thought that budgeting was a domain of the county government officials. It was in respect to their limited knowledge of planning and budgeting that some proposed the need to prioritise civic education on the budgeting cycle in the county.

Organised group participation in agricultural planning and budgeting

At the ministry level, budgeting starts from division level where the officers hold forums with farmers. Using these views, they develop activities to address farmers need, for example they decide how many stakeholders forum, and field days are needed. District Agricultural Officer currently referred to as sub-county agricultural officer is the originator of these activities with input from a few stakeholders. Lack of finance make forum with different stakeholder's untenable.

Using the Stakeholders' Forums, there are farmers' representatives from a certain region. Other stakeholders include World Vision, Child Fund, ActionAid and the Catholic Diocese. The ministry with the intervention of the Governor has held meeting to discuss areas to prioritize in agriculture and public participation in budgeting and planning.

8 Eliasi B et al (2009) Enhancing small-holder farmers policy engagement Through greater involvement of farmers' organizations in policy processes Southern Africa Confederation of Agricultural Unions (SACAU) Paper presented at the IDASA/ Economic Governance Programme conference on 'Governance and Small-scale Agriculture in Southern Africa' November, 9th – 11th, 2009 - Indaba Hotel, Johannesburg, South Africa

Mechanisms/opportunities for the community to participate in the agriculture sector

Both the ministry officials and farmers agreed that the opportunities for community participation in agriculture were in existence but were insufficient. These were in form of activities like stakeholders' forum, extension service field days, and demonstrations, among others. Tours were a rare occurrence and the farmers demanded for a revival of the same since the tours encouraged learning and sharing among the farmers. They understood the importance of these activities.

Towards influencing budget for the Agriculture sector

Clear communication channels and well articulated agenda with dates for forums and venues should be established in the county to attract maximum participation. For instance, forums brought closer to the people such as *barazas* or during market days ensure maximum participation. Encourageing residents and professional institutions to self organize and give input on the budgeting process and civic education on citizen participation at the various points of the budgeting cycles should be facilitated. Those trained should share with the rest what was discussed in the forum to make the process more inclusive.

Programs available and beneficial to farmers

The most pronounced concerns are on the projects under '*Njaa Marufuku"* Kenya project' whose funds are suspected to be embezzled. Other programmes or projects mentioned include the National Agriculture and Livestock Extension Program (NALEP) and Traditional High Value Crops Development (they call it "*ile ya sorghum*[9]")

Some of the programs used include group visits, input subsidies, credit services, public *barazas*, field days, demonstrations, loans from groups and field trips. However, these programmes are not as frequently organized as the farmers would like. The existing financing schemes at the county include Boresha Teachers Sacco, Kenya Women's Finance Trust, Faulu Bank, and NGOs such as ActionAid.

3.3.2 West Pokot County

In West Pokot only a few farmers, the more literate, had information on participation in the budget process. A majority of farmers interviewed in the county do not have information on how to participate in the budgeting process at the county level. The very few in the FGD who had some information on the budget process mentioned that it was through reading of the Constitution and participation in sensitisation workshops held by organizations such as ActionAid.

As far as the county budgeting process is concerned, respondents felt that the process in not open for public participation. They felt that budgeting seems to be done by the various government officials and departments. As such they were of the opinion that citizen should be educated on the opportunities to participate in the budget process as provided for in the constitution in order to influence funding of community needs and priorities.

9 This is a Kiswahili phrase that literally means 'the one about sorghum"

Organised group participation in agricultural planning and budgeting

Majority of farmers reported that they were not aware of any organised groups participating in budget or planning at the county level. It is for this reason that a majority of them suggested that more needed to be done to ensure that the process is more inclusive given the onset of devolution.

Mechanisms/opportunities for the community to participate in the agriculture sector, challenges and proposals

During the FGDs, the farmers identified some mechanisms or opportunities for the community to participate in the agricultural sector. These included public contribution or input into the formulation of policies and their engagement in agricultural activities right from the household level. During the discussion they identified the following challenges that needed to be addressed with a view to scaling up community participation:

- Persistent drought in some parts of the county especially the lowland areas
- Poor uptake of technology
- Poverty and inadequate finances
- High cost of farm inputs e.g. fertilizers and seeds
- Retrogressive culture hampering effective participation by women
- Inadequate extension services and poor facilitation of the available officers hampering their movement
- Poor markets for produce
- Poor access to land by women and the poor.

Some of the proposals that were suggested as ways of addressing the above mentioned are:

- Encourage cultivation of drought resistance crops
- Encourage water harvesting and irrigation where possible
- Increase and facilitate the movement of extension officers
- Organize farmers in groups for ease in marketing of produce
- Provide training and capacity building for farmers.

Toward influencing budget for the Agriculture sector

There was no single farmer in the FGD who had participated in a planning and prioritization meeting for the county's agricultural sector and hence no experience could be shared. The feeling was that famers' understanding of the budget process was realisable through awareness creation forums. This was confirmed by report from the agricultural and the livestock officers who said that budgeting for the sectors was being done at the departmental level and that the agricultural officers do not seek citizen participation when formulating the budget.

Programs available and beneficial to farmers

The programmes available to the farmers in the county include provision of the extension services that is usually done before the onset of rains. Subsidy inputs such as fertilizers and seeds are the other but not currently being taken in the county.

Effectiveness of the GOK and donor financing of the Agriculture Sector

A number of farmers in the county receive assistance from ActionAid that offers agricultural education. These include:

- ActionAid has also bought some breeding bucks for farmers
- Farmers in the highland areas of the county cultivate Irish potatoes with support from the *Njaa Marufuku* programme
- Women farmers have been able to access credit from the KWFT

The government mainly finances the farmers though there are other players such as ActionAid and ACTED. Extension services by government are provided before the onset of the rains. This should however be enhanced by increasing the number of extension officers and by facilitating their movement by providing them with vehicles

3.3.3 Kakamega County

Women and vulnerable understanding budget process

At some level, the vulnerable groups and women are assisted in development of proposals and pass a budget with a case example of Constituency Development Fund (CDF). Overall there has being no established mechanisms and opportunities for involving women and vulnerable groups and there is need for civic education on the role of citizens especially the vulnerable groups in the budgeting process.

Community budgeting at the county level

The process is taking shape with county government laying out strategies on how citizens can participate in the county budget and planning. Previously, budget work was at the realm of various government officials and departments. Citizen participation in budgeting can be increased by involving them in the identification of priorities. The citizen should be educated on the opportunities to participate in the process as provided for in the constitution and encouraged to read the requisite materials and attending forums that offers insights on budget work.

Organised group participation in agricultural planning and budgeting

Agricultural planning and budgeting in the county has being a top down affair and involvement of the organised groups and community has not being effective in the budget work. The agricultural department at the district level plan and share with the ministry the requirement of the district. The perception from the agricultural officers was that there was no need to consult the community on plans and budget since the understanding is very low.

Future involvement should take into consideration using the Stakeholders' Forums and farmers' associations. Other active stakeholders to be included as suggested included World Vision, Child Fund and the ministry with the intervention of the Governor, members of parliament and the county representative to prioritize in agriculture and public participation in budgeting and planning.

However with the ushering in of the county government, interest from various stakeholders has shown that the community through sensitization is embracing budgeting and planning and equally the community's involvement in giving views on the priority areas in the agricultural sector.

Mechanisms/opportunities for the community to participate in the agriculture sector

The farmers are not aware of ways to participate in the Agriculture sector budgeting and planning in the county. Key areas include engagement with the agricultural extension officers,various ministries and stakeholders writing proposal which are in turn shared and deliberated by the officers in the Ministry of Agriculture at the District level. The county has come of age with fish products, sorghum and indigenous chicken and this could be a potential area of engagement and partnerships with companies allied to the production of these products.

The District Agricultural Committee meetings present an opportunity where the community is equipped to share their views with respect to agricultural sector. With the setting of the county government, views of the community towards influencing the agricultural sector budget in the county are important.

The Kenya Forestry Department has Community Forest Association and the community participate together with the field officers in the ministry to give inputs and plans on what should be done with respect to seedlings. This is an avenue created by the ministry to ensure that the vulnerable group participate in the planting and protection of the ecosystem in county.

However more needs to be done to ensure there is wider consultation between the government technocrats at the district level and the community. This can lead to maximum utilization of the already existing opportunities of engagement and open up more opportunities for public participation.

Programs available and beneficial to farmers

There exist some financing schemes in the county, namely:

- Subsidized fertilizer from the Ministry of Agriculture which has existed over the last three years.
- *Njaa Marufuku* Kenya grants to farmers
- Equity Bank's *Kilimo Biashara* which give loan to farmers. In the year 2012, more than 137 farmers benefited from the loan in Kwisero constituency.
- Western Kenya community driven project and flood mitigation enabled farmers in the county to access credit for agricultural projects and food production.

The changes preferred in the financing scheme include government intervention by financing the farmers through better subsides and public private partnership

The projects on *Njaa Marufuku* Kenya project' funds are suspected to be embezzled. Other programmes or projects mentioned include the NALEP and Traditional High Value Crops Development. Group visits, input subsidies, credit services, public *barazas*, field days, demonstrations, loans from groups, field trips were the other opportunities that farmers mentioned as having benefitted from. The financing schemes in existence in the county include Kenya Women's Finance Trust, and Non-governmental organizations like ActionAid

Effectiveness of the GOK and donor financing of the Agriculture Sector

The main financing option of the agricultural sector in the county is the national government and the officers on the ground are well versed with the sources of the funds. The allocation to the sector and the amount need to be increased to meet the Maputo Declaration of 10% of the national total budget. Benefits of the agricultural sector to the county include:

- It is a source of employment.
- Food security
- Wealth creation for the households
- Contributes to the healthy population in the Kakamega County.
- Environmental conservation such as the Kakamega forest
- A source of medicinal plants

The donor financing aspect is key in ensuring the county implementations of the various agricultural activities well taken by the communities. Some of the agricultural activities include the fish farming and protection of the Kakamega forest. ActionAid has been involved in helping smallholder farmers who are in groups to engage in green house farming as well as expand their crop and livestock production including provision of knowledge on marketing and value addition

The county donor financing still remains low in the county though no records were tabled to support the claim. However, the key aspect areas discussed with the agricultural officers is that there is a lot of conditionalities attached to donor financing.

3.3.4 Migori County

Respondents showed lack of knowledge of the guiding documents on participation in budget and planning. Those who were informed did not know the various points or opportunities available as well as the timing for engagement in the budget process.

Organised group participation in agricultural planning and budgeting

Due to limited knowledge or awareness of the budget process, participation is minimal. Indeed there are no organised groups who participate in the budget process of the agricultural sector.

Community budgeting at the county level

With ushering in of the county government, public participation should be there and communities should be engaged in the preparation of county budget particularly farmers. The current scenario is that there is no engagement with the executive in the preparation on the agricultural sector Budget.

Mechanisms/opportunities for the community to participate in the agriculture sector

Currently the county does not have any mechanisms or opportunities for public participation in the agriculture sector as was mentioned by farmers interviewed.

Opportunities existing to participate in agriculture sector and some challenges

Opportunities existing in the agricultural sector include during the production of sweet potatoes, poultry keeping and maize farming. Some of the challenges include inadequate knowledge on best practices, high cost of inputs to the farmer, lack of extension services, lack of equipment for the extension officers, lack of capacity building, technological challenges and issues of infrastructure.

Toward influencing budget for the Agriculture sector

Similar to the other 3 counties, the community did not share much on the budget process since the county government is relatively new but reiterated the need for sustained budget literacy campaigns. This notwithstanding farmers largely agreed that with time, the county government will deepen citizen participation as they are more accessible to the community relative to the ‘far flung” national government.

Chapter Four

CONCLUSIONS

4.0 Conclusions

In the last decade, performance in the agricultural sector growth has been mixed mainly due to low support directed to predominant small-scale farming, over-reliance on rainfall and poor mechanization, operating and functioning with inadequate institutional capacities and poor infrastructural support. In addition, the sector is plagued by a number of challenges, namely: below potential and sometimes declining productivity; underutilization of land; poor post harvest management and access to markets and low competitiveness due to high cost of production and limited ability to add value to agricultural produce. This notwithstanding, agriculture is still the mainstay of the Kenyan economy directly contributing on average 26% of the GDP annually and another 25% indirectly and as such viewed by the government as one the drivers to deliver the envisioned 10% economic growth rate under the Vision 2030. As the main source of livelihood for majority of Kenyans in terms of feeding the nation, the sector also provides 18% of women and men with formal employment and over 60% with informal employment. The Vision 2030 considers it as one of the key drivers of delivering the 10% annual economic growth.

These aspirations are reflected in the current policy and institutional framework guiding the sector that is, the ASDS, 2009-2020 which emanated from a revision of the SRA, 2004-2014 to reflect the aspirations of the Vision 2030. Its overriding goal is to achieve a progressive reduction in unemployment and address the twin challenges of food insecurity and poverty in Kenya. Public spending in ARD as a proportion of the national budget has not only been declining but falls significantly short of the 10% international commitment of Maputo Declaration and other local policy commitments as it has been declining and falls short of the 10% target. In addition, there are risks of low absorption rates due to increase in donor participation in the sector as well as targeting of spending in agricultural inputs for the benefit of small-scale women farmers. This situation is exacerbated by low participation levels of smallholder women farmers in agriculture decision-making processes and in budgeting. This is primarily due to limited information flow on when and how to engage and as such, it is critical that there is sustained campaigns and civil education to enhance their participation levels.

Chapter Five

RECOMMENDATIONS

5.0 Recommendations

As way of enhancing effectiveness of public investment in agriculture towards uplifting the livelihood of smallholder women farmers in Kenya below are some recommendations worth noting:

- **Progressively scale up funding in the agricultural sector**: Public funding in the agricultural sector in Kenya over the period 2009/10-2012/13 was below the desired agricultural policy targets and also below local and international commitments such as the 10% Maputo Declaration threshold. In order to achieve any meaningful outcomes on productivity and positively impact livelihood of smallholder women farmers who comprise the majority of labour force in agriculture, the government should ensure that public spending in the sector is progressively increased and sustained. Additionally, by scaling up investment in agriculture, the government will go a long way towards meeting the MTIP target.

- **Addressing low budget implementation for ARD** – For the period under review-- 2009/10-2011/12-- donor participation in ARD increased from 1.9% to 8.2% which is not in itself positive. However the government need to be cognisant of the unpredictability of donor funding and also ensure that there are tight interventions to address likely challenges of low absorption of donor funds especially given that the utilisation rate of ARD ranges between 75-80% by providing funds to clear arrears in pending bills and increasing capacity to improve completion rate of capital projects.

- **Access and targeting of agricultural inputs** – this report shows that spending on agricultural extension service, research and input subsidies has been increasing. However there is need to address equity question and ensure that targeting benefits both women and men farmers appropriately. In addition without provision of gender or sex disaggregated data on beneficiaries one is not able to decipher the extent to which women small-scale farmers for instance benefit through spending in these inputs.

- **Low participation of small-scale women farmers** - despite comprising over 60% of agricultural labour force, small-scale women farmers are underrepresented in agricultural planning and processes as evident from FGDs[10]. Majority of farmers cited lack of awareness of the law on participation and the various mechanism as well as lack of capacity to participate. They therefore suggested the need for the Ministry of Agriculture to come up with tailored civil education campaigns and programmes for educating and sensitizing smallholders farmers and in particular women farmers in participatory budgeting on matters agriculture.

10 We did not come across any information from the Ministry of Planning and Devolution on citizen participation in the budget process

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