

EGERTON UNIVERSITY



TEGEMEO INSTITUTE OF AGRICULTURAL  
POLICY AND DEVELOPMENT

# Status of the Agricultural Sector and Key Lessons after Devolution to County Governments

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Transforming Smallholder Agriculture in Kenya  
Kenya School of Monetary Studies, Nairobi*

# Outline:

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- Motivation & Objectives
- Discussion
  - Transition
  - Organization
  - Planning & coordination
  - Financing the sector
- Summary & Conclusion

# Motivation:

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- Majority of functions in the sector transferred to County Govts (CG).
- Great opportunity for the sector
  - Take services closer
  - Improve community participation
  - To adapt to local needs
  - Fund local priorities
- Potential challenges
  - Coordination & planning
  - Harmonization of policies across counties
  - Effect of new system on smallholder farmers

# Objectives:

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- Sustain strong sector performance for food security & economic growth.
- Need to understand how the sector has adjusted to these changes.
- Key questions
  - Structure of the sector-how has it changed?
  - Planning, coordination & implementation of projects & programs.
  - Is the level of funding sufficient?
  - Do farmers participate in planning?
  - What challenges are being experienced? What do we learn? & What are the best practices?

# Methodology

- 16 counties purposively selected for the study in 4 regions

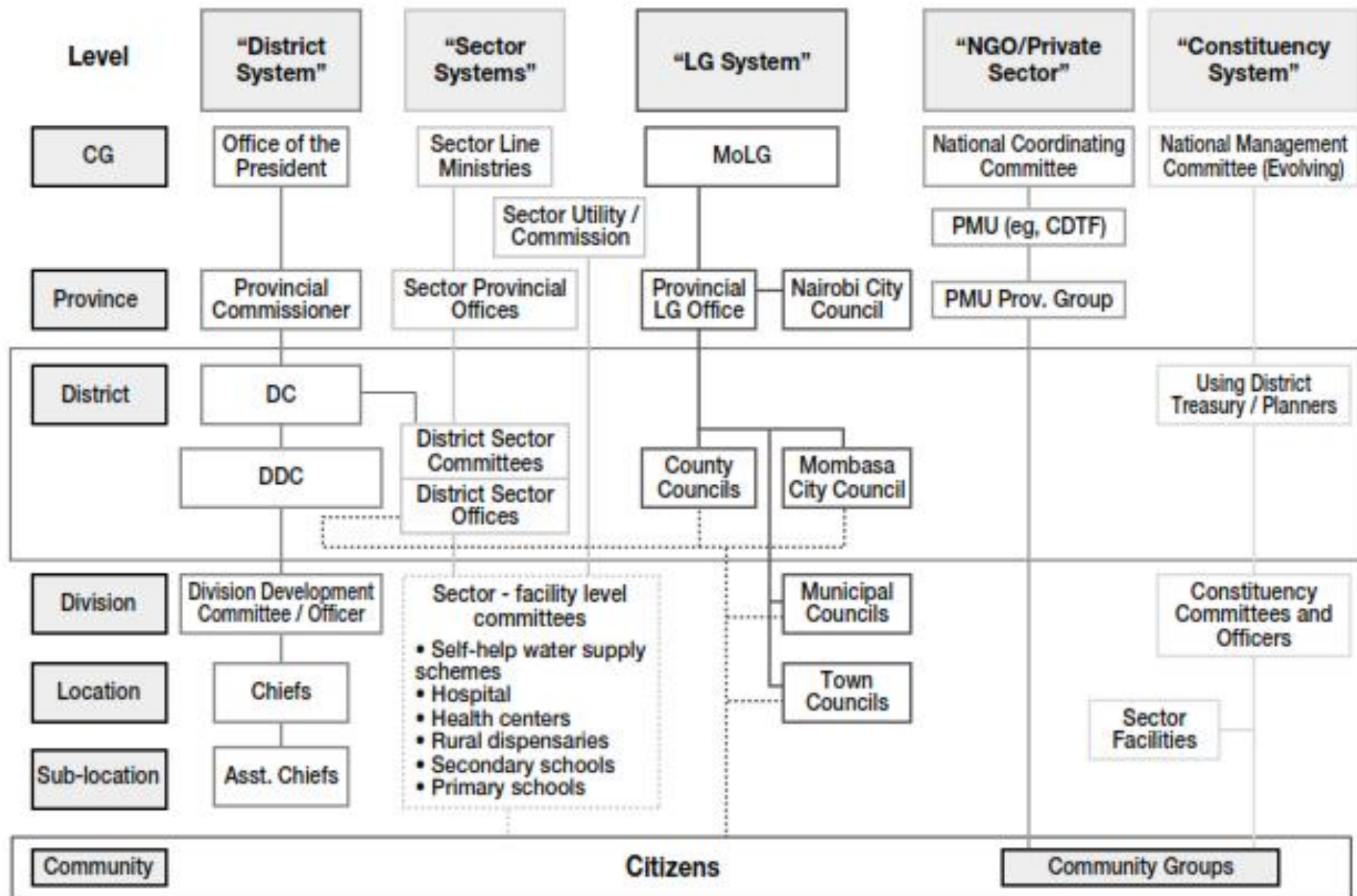
Western	Rift Valley	Central	Eastern
Siaya	Trans Nzoia	Nyandarua	Makueni
Kisumu	Uasin Gishu	Nyeri	Machakos
Kisii	Bomet	Kirinyaga	
Migori	Narok		
Vihiga	Nakuru		
Kakamega			

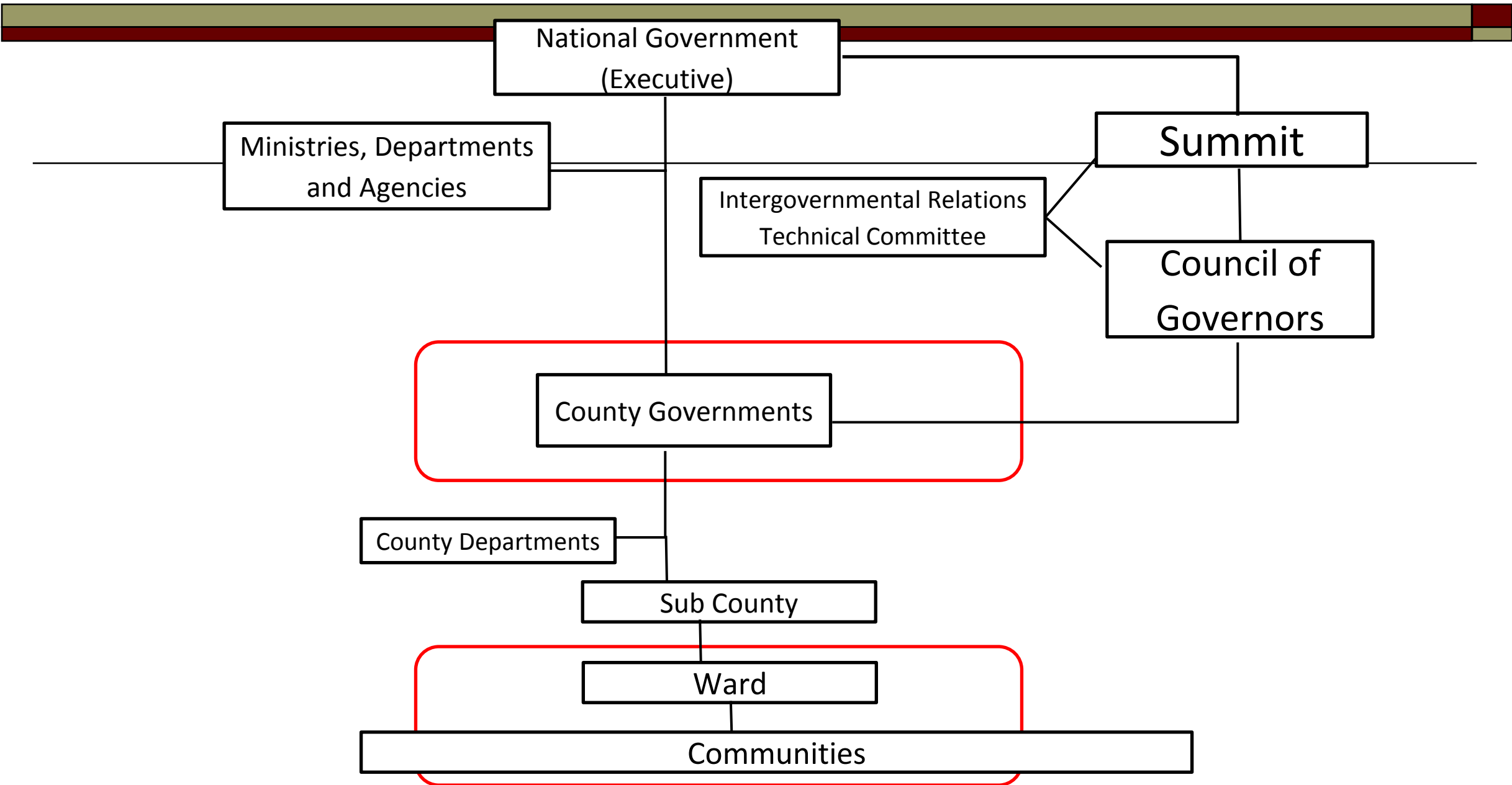
- Face to face key informant interviews with Ministry officials:
  - CECs, Chief Officers, County Directors
- A structured checklist used to obtain qualitative and quantitative data
- TAPRA Survey, 2014

## Transition:

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- ❑ Constitution provided for 3 years.
- ❑ National Govt (NG) mandated to facilitate transition process.
- ❑ Transition did not follow laid procedure.
- ❑ Not much time allowed for CGs to prepare to take over functions.
- ❑ Major teething problems, mainly duplication of roles
  - e.g. both levels of govt carrying out fertilizer subsidy, general extension.





Source: Authors' depiction



# Planning:

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- Challenges in the centralised system
  - Elite capture
  - mismatch btw
    - National goals vs local goals
    - planning vs budgeting/financing
- In devolved system
  - NG expected to set policy
  - Each county govt plan independently
  - A lot of emphasis on Governor's manifesto & public participation
    - Little technical involvement
    - Conflict of interest for local leaders (redefined a local elite)
    - Sustainability, viability of County Integrated Development Plans (CIDPs)?

# Planning:

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- What does this mean for the country?
  - Examples of good practices – potato packaging, efforts in pyrethrum industry revival, devt of mkt infrastructure
  - However, there exists coordination failure i.e. most counties now prioritising high value crops especially horticulture
    - Where is the market?
    - What about important food crops, nutrition rich crops such as orphaned crops?
  - Are we likely to end up with too much govt intervention? potentially crowd out private sector e.g. fertilizer retail
- Most counties have since revised their CIDPs (9/16 visited)
- CGs inherited a number of projects from NG & started new ones<sup>10</sup>

## Planning:

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- Do farmers participate in planning?

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	Individual		Households	
	No	%	No	%
Before 2013	951,917	28.4	2,042	31.4
After 2013	212,783	6.4	481	7.4

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Source: TAPRA 2014 Survey

# Planning:

## □ Household characteristics of those participating

		Before Devolution	After Devolution
Education of household head	No education	12%	9%
	Completed primary education	56%	52%
	Completed secondary education	25%	31%
	Completed tertiary education	8%	9%
Marital status	Married	79%	78%
Other characteristics	Age of household head	51	52
	If head is female	18%	18%
	If head is youth (18-35 years)	15%	14%
	If head has salary/business income	71%	71%
Distance in Km from household to	Nearest motorable road	0.4	0.4
	Nearest tarmac road	10.4	10.8
	Nearest County/sub County headquarters	16.8	18.0
Received Subsidy	Seed	11%	16%
	Fertilizer	10%	13%

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# Planning:

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## □ Source of Information for devt meetings

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	Before Devolution	After Devolution
Church/School	14.5%	10.2%
Public notice boards	10.0%	11.4%
Barazas	34.9%	37.8%
Village elders/local leaders	5.4%	6.2%
Neighbours/Friends/Relatives	35.0%	29.9%
Radio/TV	0.2%	4.2%
Newspapers	0.1%	0.2%

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Source: TAPRA 2014 Survey

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Source: TAPRA 2014 Survey



# Communication:

## Channel before devolution



## Channel after devolution



- ❑ Current channel is long and results in – untimely arrival of information & failure to reach the action points
  - Distortion of information
  - Wastage in information verification process (resources and time)

## Other key areas:

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### □ Legislation

- Weak capacity at dept level & County Assembly

### □ Taxation

- Imposition of cess to raise funds for the counties (in court)

# Human Resources:

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- No structured handover.
- Several challenges
  - Low staff levels at sub county and ward levels
    - Most critical are livestock, fisheries, coop development
  - Low staff morale due to uncertainties
    - Scheme of service, welfare issues (promotion, transfer)
  - Political environment considered unfavourable
    - Recruitment process different btw NG & CG (very subjective at CG)
    - Politicization of oversight by County Assemblies
  - Mismatch between skills and roles

## Budget and Flow of Funds:

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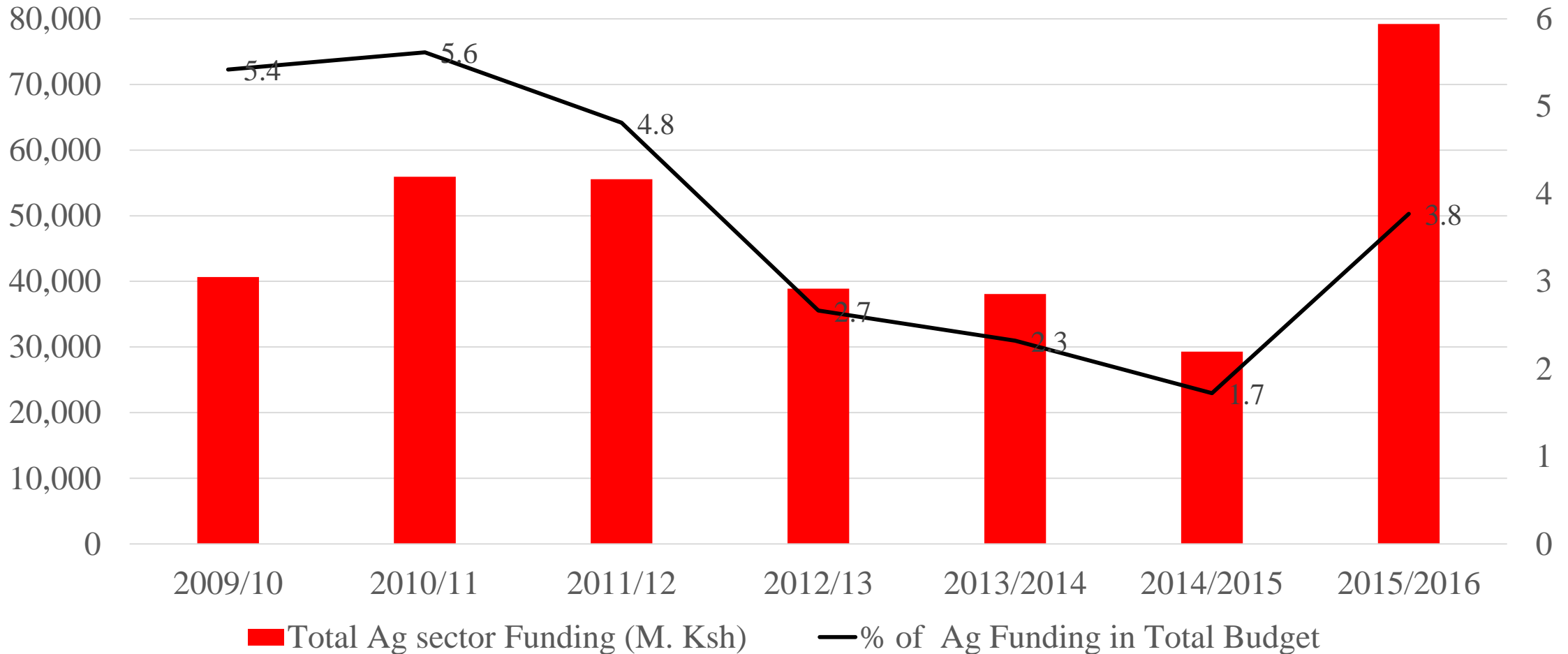
- In 2013/14 FY, recurrent expenditures in most counties were clustered under executive
  - Ag sector budget reported was mainly devt budget
  - No Ag budget in some counties, the sector was funded through imprests from county treasury
  - In 2013/14 FY, supplementary budgets used to reallocate to/from the sector
  - 2014/15 FY, the sector has a recurrent & devt budget
- Data obtained from CRA 2014 & COB 2015

# Budget and Flow of Funds:

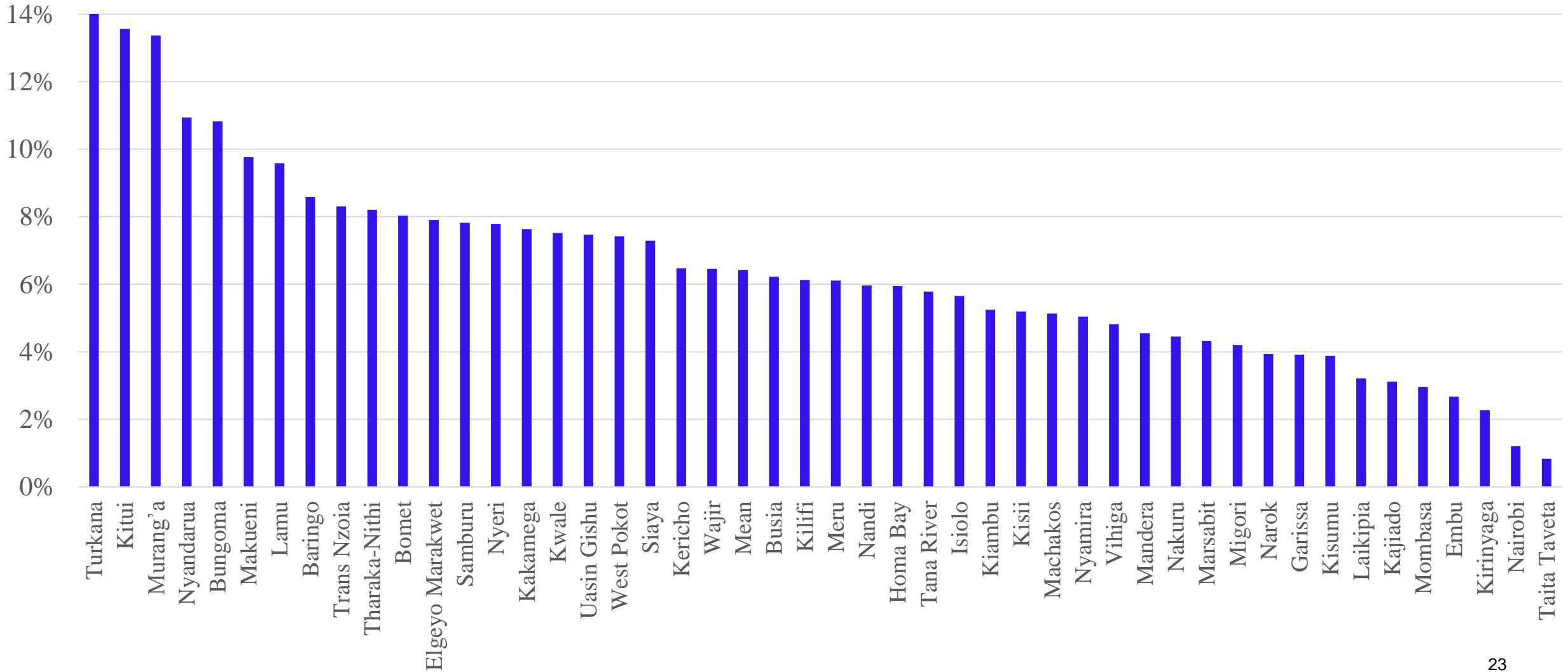
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- Program based budgeting system adopted by many counties
  - Budget ceilings set for different depts
  - Recurrent funds transferred monthly; Development funds on reimbursement basis
  - Sub-counties funded through AIE system in some counties
  - Budgets approved by County Assembly & COB
- Generally, there is increased funding to the sector
  - However, not adequate given the functions and expectations/promises
  - Unreasonable budget cuts at county assembly during approval
- Funds centralised at county level
  - Delay in accessing funds at sub county levels

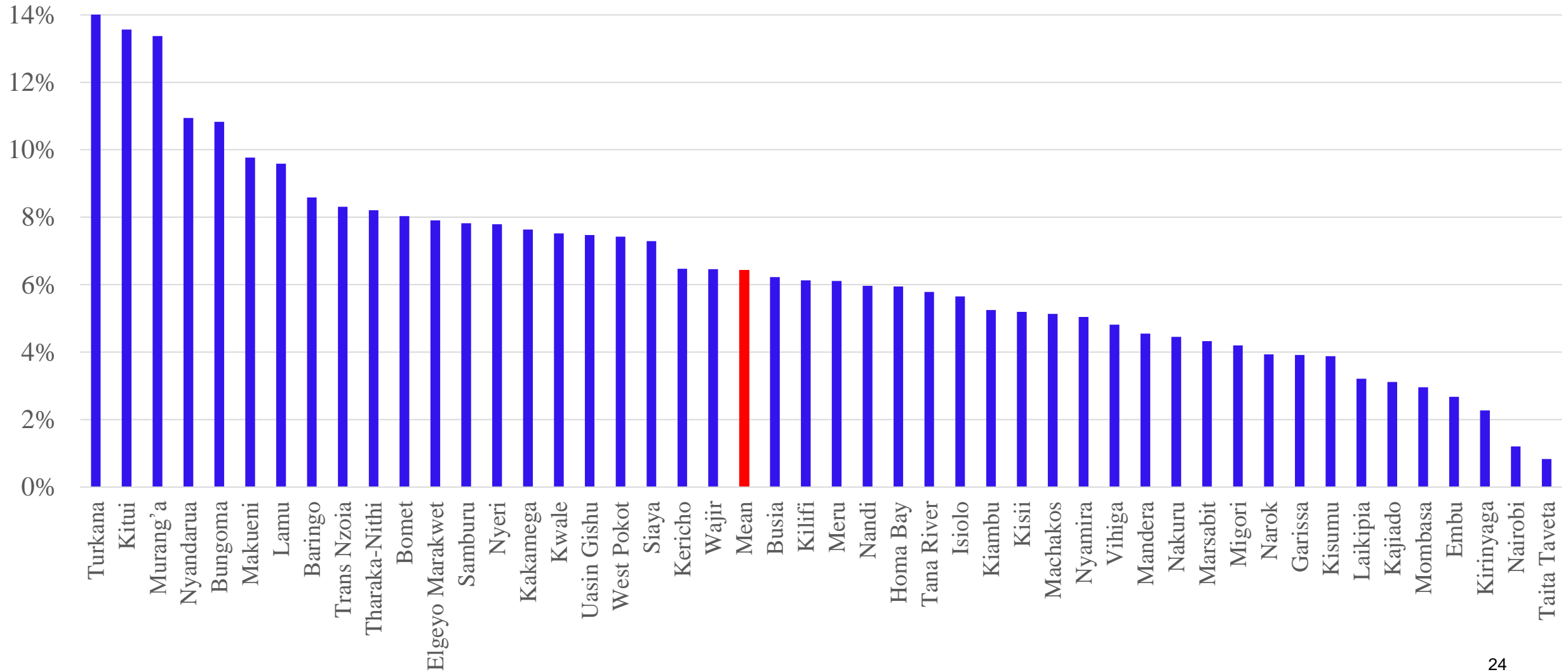
# Trends in Financing the Ag sector Budget (Ag Sector Ministries - NG)



# Ag Sector Budget as a % of Total Budget 2014/15 FY by County

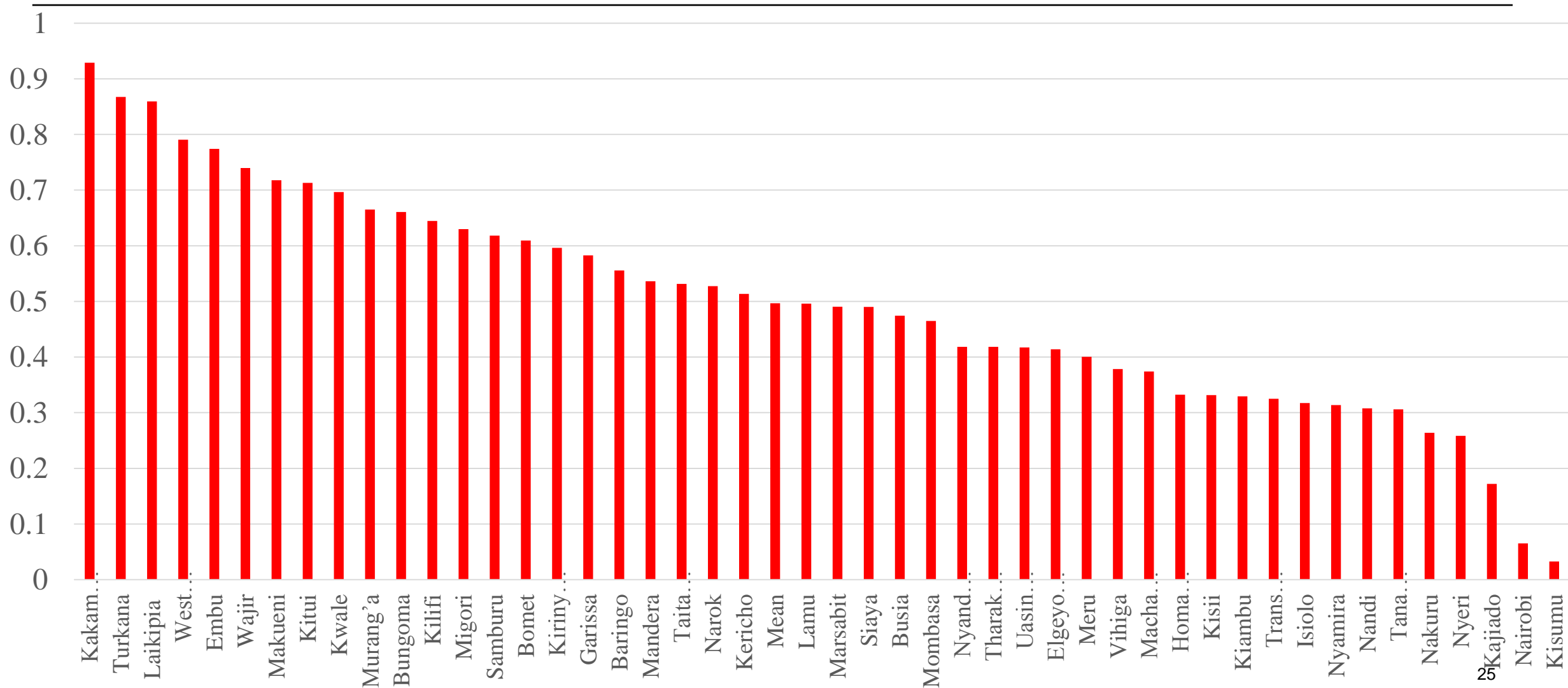


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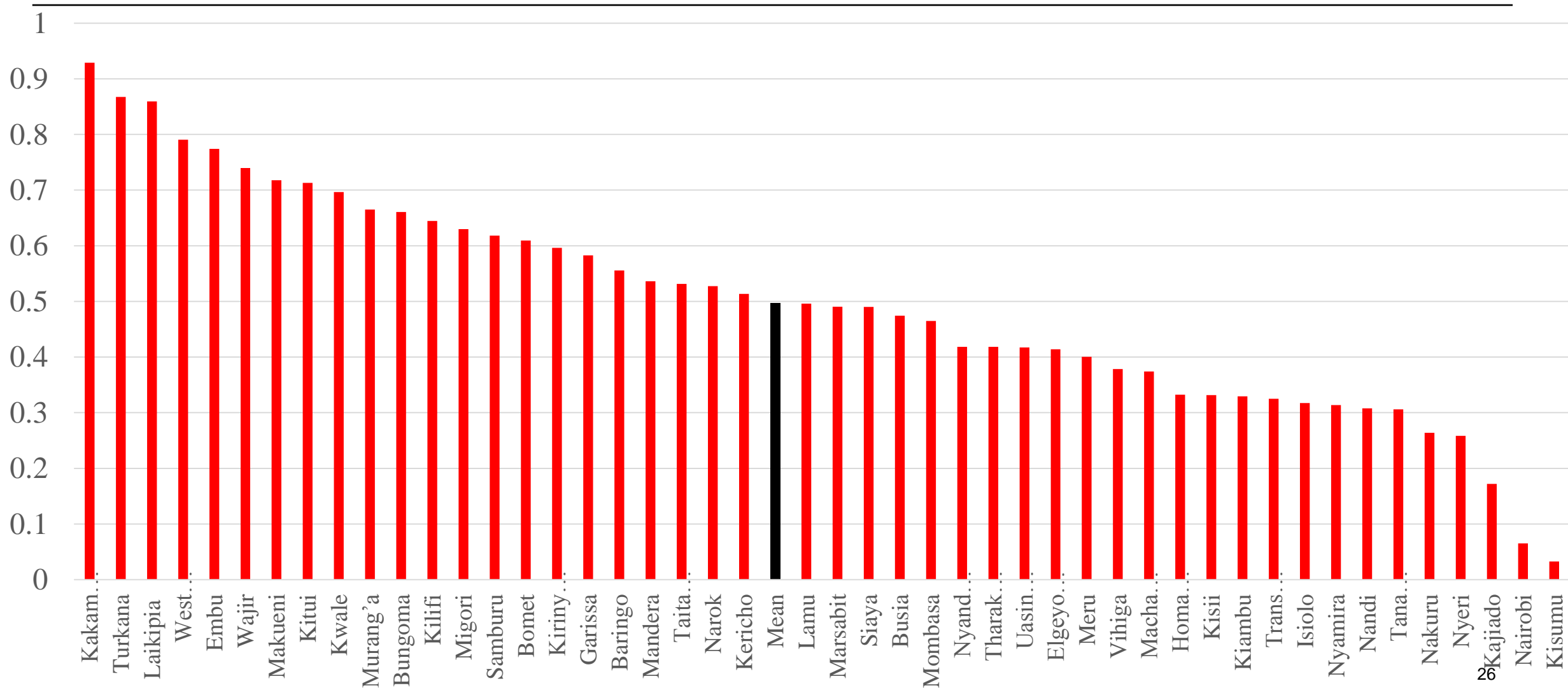




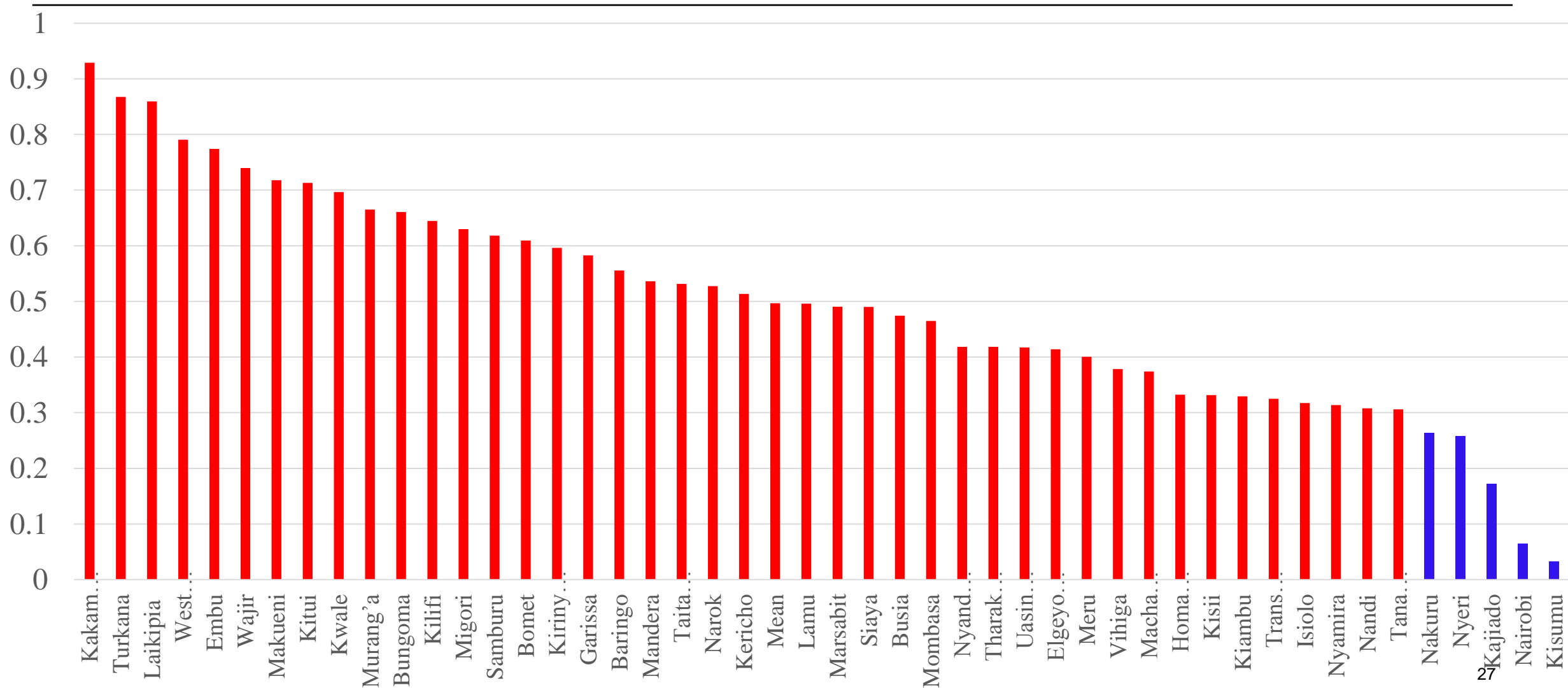
# Allocation of Ag Sector Budget to Devt 2014/15 FY by County



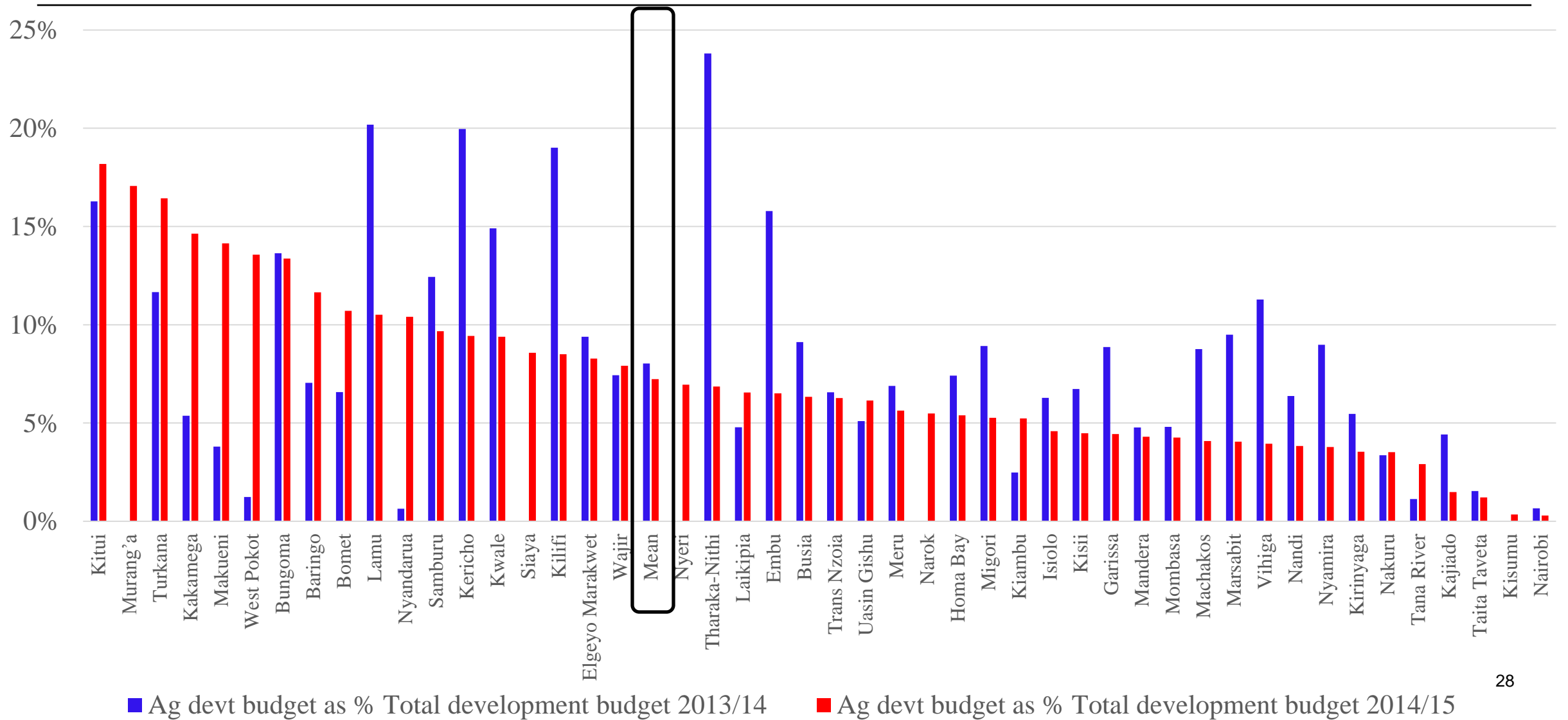
# Allocation of Ag Sector Budget to Devt 2014/15 FY by County



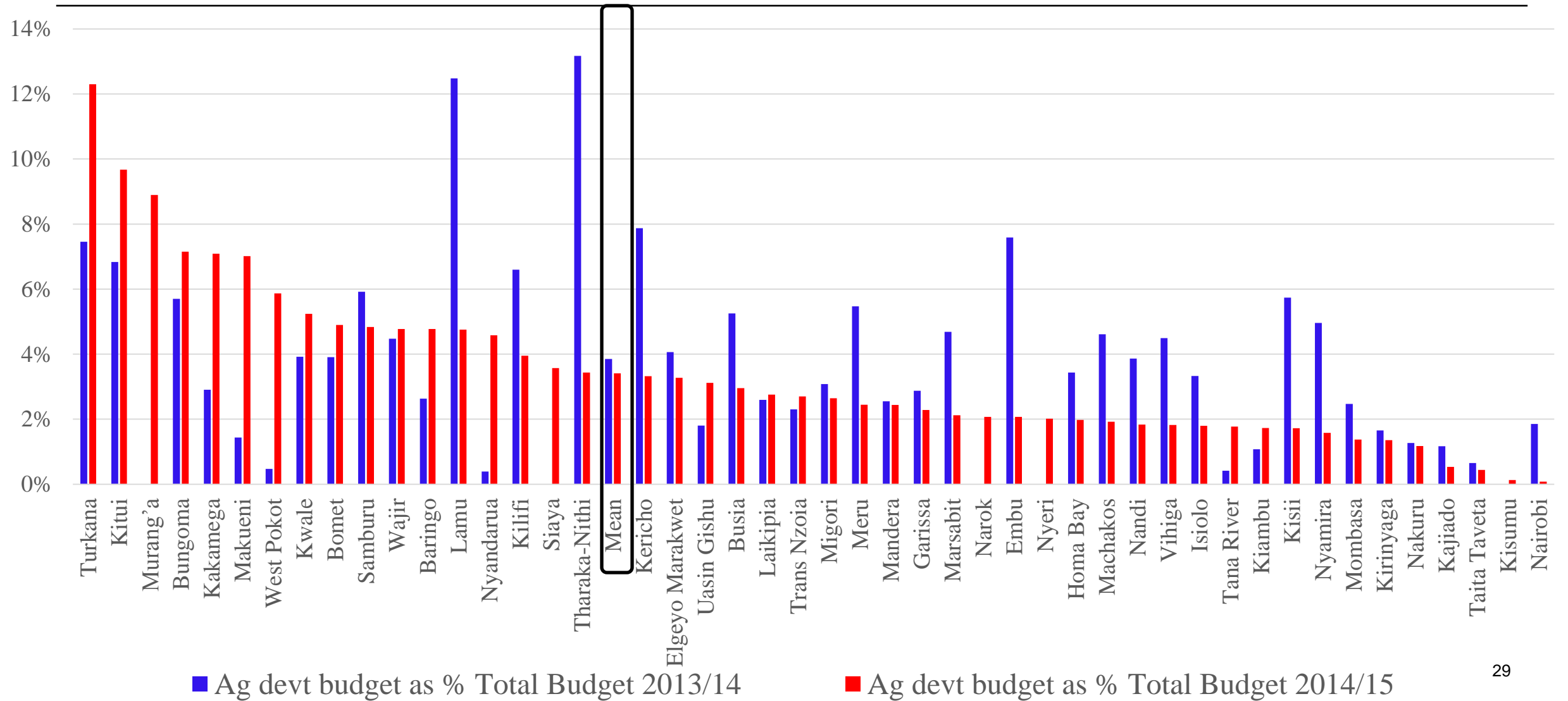
# Allocation of Ag Sector Budget to Devt 2014/15 FY by County



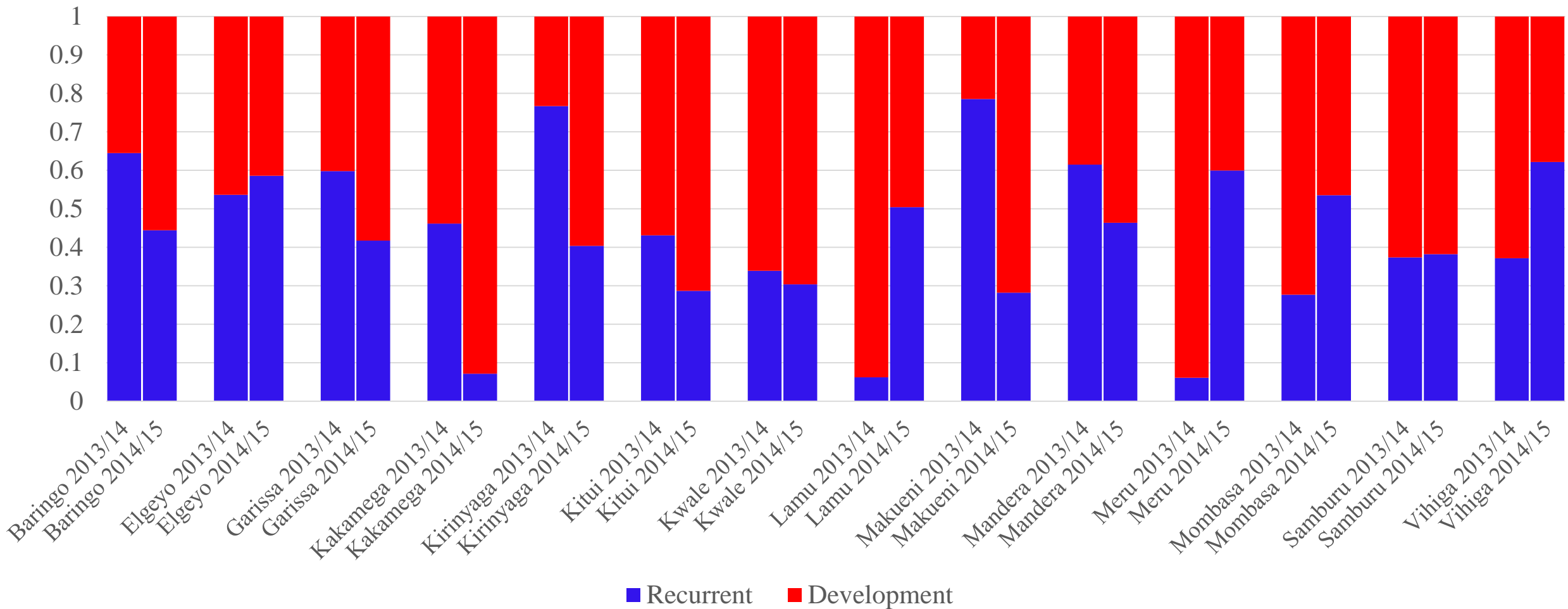
# 2013/14-2014/15 Ag Sector Devt Budget as a % of Total Devt Budget by County



# 2013/14-2014/15 Ag Sector Devt Budget as a % of Total Budget by County



# Ag Sector Budget for Selected counties



## Summary & Conclusions:

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- Good sector organization in some counties
- Counties have picked up projects that were implemented by NG
- Counties have started revised CIDPs
- Increased funding to the sector in some counties
- Most counties meet constitutional thresholds (PFMA 2012)

## Summary & Conclusions:

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- ❑ Poor transition process triggered a raft of challenges
- ❑ Coordination challenges (between NG & CG; among CG)
- ❑ Weak planning and budgeting process
- ❑ Participation both farmers & technical staff
- ❑ Challenges in funds flow (NG=> CG, CG=> sub county)
- ❑ Adopted a learn-as-we-go approach



## Recommendations:

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- Need to **clarify functions that have been devolved**, prepare for functions yet to be fully devolved
  - Eliminate duplication between CG & NG
- **Improve Coordination** btw CG & NG and among CG
  - Operationalise institutions such as IGTRC
  - Improve Communication channels
- Prioritise **strengthening Planning & Budget making processes** at the county level
- **Build and Develop Capacity** at the Counties for effective discharge of functions

## Summary & Conclusions:

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- **Address the Human Resource** challenges at the County Level
- There is **increased funding** to the sector at the county, although this needs to be increased to **cater for increased functions at the county level**
- **Nationally, Ag sector funding still below 10%**



Thank you

## **Acknowledgement**

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