



Ministry of Foreign Affairs of the
Netherlands



Food Security Learning Journey in Kenya June 12-15, 2017



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1. Introduction

A group of Food Security Advisors and Agricultural Counselors from 12 Dutch embassies across Africa, Asia and the Netherlands visited Kenya from June 12 to 15, 2017. The aim of the “learning journey” was to jointly learn and reflect on achieved results, successes and failures from implementing the Food and Nutrition Security (FNS) policy in the context of the aid and trade agenda of the government of the Netherlands. The learning journey would then lead to the formulation of lessons and recommendations for implementation, results reporting and policy.

The learning journey took the format of farm and factory visits to selected business cases of projects being implemented with support from the Dutch government in the Kenyan dairy, horticulture and potato sector. It also included individual and group reflections, and key respondent sessions.

This report presents a summary of the key highlights of this learning journey, and captures the key factors that explain the success of FNS programs in Kenya, funded by the Embassy of the Kingdom of the Netherlands (EKN) in Kenya. It also reflects on why certain interventions did not result in the expected outcomes, including any unforeseen outcomes.

The key questions this learning journey sought to answer include:

- How can we effectively draw on Dutch technology and expertise in development activities?
- How can we make sustainability and inclusiveness a Dutch selling point in our contacts with government partners, local business networks and other local stakeholders?
- How can EKN ensure that not only development programs promote inclusive investment and trade, but also that trade programs promote inclusiveness?
- How can the aid and trade agenda deal with issues of gender and youth, be climate smart and nutrition sensitive, and enhance water productivity?
- How can a sector development approach contribute to the trade and development agenda?
- How can EKN create synergy between centrally funded instruments and embassy programs?

2. Farmer level Entrepreneurship Development: a visit to KMDP Dairy Farmer in Limuru, Kiambu County

SNV Netherlands Development Organisation (SNV) is implementing the Kenya Market led Dairy Program (KMDP) with funding from EKN Kenya. Now in its second phase, KMDP started with interventions in July 2012 at the dairy value chain level (increasing efficiency, effectiveness and inclusiveness) as well as addressing sector issues (supporting interventions and innovations that address systemic issues). The second phase which began in October 2016 has an Innovation and Investment Fund that provides financial contributions to feasibility studies, pilots, demos and innovative business cases. The program includes a knowledge agenda, collaborating with technical experts from PUM Netherlands senior experts (PUM) and others, and with interns from Egerton University in Kenya and the AERES agricultural colleges in the Netherlands. As stated by Anton Jansen, the KMDP Team Leader, “What is key are skills development, knowledge exchange and innovation.”

KMDP program addresses the Kenyan challenges in the dairy sector (See Box 1) by providing skills, knowledge and other forms of support to medium-scale farmers and smallholders in the value chain, in addition to enhancing linkages between Kenyan and Dutch companies in the wake of the aid to trade agenda.

The learning journey participants were led to Risa Farm in Limuru by Cosmas Muchina, monitoring and evaluation advisor of KMDP, who provided an overview of the Kenya dairy sector. Once at the Risa Farm, the participants were welcomed by Andrew Murugu, a second-generation farm owner and banker by profession. He shared the history of the farm and how his experiences in South Africa, Israel and the Netherlands influenced his decisions on how to manage his farm together with his wife Wangari Murugu, as well as on introducing value addition.

Box 1: Kenya dairy sector overview

- The largest agricultural sub-sector, contributing 4-6% GDP.
- Mainly private sector driven with 28 active processors. Top three are Brookside (with French processor Danone 40% shareholding), New KCC and Githunguri Farmers' Cooperative Union.
- There is an increasing interest by the Dutch giant FrieslandCampina in Kenya's dairy sector.
- Provides employment to approximately 1 million people across dairy value chain.
- Smallholder farmers produce 80% of Kenya's milk with 60% of it being marketed informally in raw form.
- Main challenges are seasonality affecting supply, milk quality, low investment in enhanced dairy production, low skills, and lack of inclusiveness.

In terms of *production and processing*, the farm has a total of 78 cows, 36 of which are milk cows that produce 800 liters/day (up from 300 liters in 2014). He uses a software package called Uniform Agri which enables him to properly manage all the operations of his farm. As a result, he has doubled the average production per cow.

After undergoing a Land 'O Lakes training on value addition, Wangari Murugu established a yoghurt production unit. This was necessitated by the need to respond to the processors not taking milk at certain times of the week. The yoghurt unit processes and retails under the brand *Mo-Lito* to high end supermarkets like Chandarana and mini-supermarkets in Nairobi. During the visit to the processing unit, it was explained how quality and safety tests are being performed on the 250-300 liters of drinking yoghurt produced per day. Andrew Murugu shared that value addition for a medium-scale farmer poses challenges in marketing and distribution, and would he would advise farmers to do value addition at a larger scale or focus on production.

In terms of partnerships, PUM and Perfometer Ltd. have supported Risa Farm since 2013 under the KMDP. In a series of missions since 2014, PUM senior experts have provided advice on total farm management and feed and fodder management, both of which directly for the farmers and through coaching of local farmer trainers. Overall, these improvements are adding to the experiences of Risa Farm as a pilot site for where innovations and technologies from the Netherlands can be tested in regards to their relevance within the Kenyan context. The experiences of this medium-sized farm is becoming a wider-known example for nearby Kenyan smallholder farmers.

In addition, Risa Farm is currently collaborating with Dutch technical experts from Fieten Ltd. to construct a new barn house. Fieten Ltd. is providing the architecture for the new barn based on a selection from a range of model barn houses (see the [smallholder cow barn handbook](#)). AgriProm, another Dutch company, is providing state of the art interiors. SNV contributed to the design and Andrew Murugu invested 12 million Kshs for materials. This new barn will house more cows, have a complete dairy management system, and will be properly ventilated with a higher roof. In the old barn, the space was wet and small so there was no comfort for the cows, the beddings and cubicles were small, logistics around milking were difficult, the milking machine was old, and the roof was low which contributed to heating the barn and making the cows uncomfortable. The new barn will meet the quality standards required by milk processors, such as Bio Foods.



According to Perfometer's David Maina, there is a growing need for experts to support and build the capacity of farmers at the farm level as seen by PUM and other Dutch organizations. He valued the role of PUM senior experts to support the sector, while acknowledging local companies such as Perfometer take on responsibility too. Perfometer's advisory services are covered for about 16% from payments by the local farmers themselves. The smallest farmers can't afford the services if they aren't being assisted through a development program.

Partnerships with farmers do not always have to be large in size. The young entrepreneur Eric de Jong, founder of Dejirine Enterprises Ltd., started importing machines and tractors after completing his university internship with SNV through AERES Dronten. He is now enrolled in a farm training with Cow Signals and Perfometer. He is also focusing on small dairy items such as inputs needed on a farm, as well as forage and supply of baling services.

With all of the recent improvements in the pilot site, Risa Farm is now considering a contract to supply milk to Bio Foods, one of the leading processors that demand European quality standards from farmers. It pays suppliers of milk with a quality-based payment system. Bio Foods Managing Director Joachim Westerveld highlighted five key components of dairy sector development, areas that Risa Farm can continue to strive for in quality and expansion:

feed quality and prices; water availability; comfort for the cows; milking practices including harvesting and storage; and consistency. Westerveld concluded that “while it’s good to support small and medium-scale farmers, large-scale dairy farming can attract more investment, knowledge and expertise to the sector. By the same token, mid-sized dairy farming needs to be supported to be able to produce enough milk to meet the existing high demand for processed milk”.

Reading

- Kenya Market led Dairy Program: <http://www.snv.org/project/kenya-market-led-dairy-programme-kmdp>
- Recommended reading: *Dairy Matters* with inspiring stories from the KMDP: http://www.snv.org/public/cms/sites/default/files/explore/download/snv_wur_dairy_matters_web.pdf

3. Production innovations in the horticulture sector: a visit to a vegetable farmer in Gilgil

SNV is implementing the Kenya Market led Horticulture Development Program (hortIMPACT, 2015-2019), a program that combines private sector expertise and social impact solutions to build sustainable, inclusive domestic and export horticulture markets in Kenya. The program has three key themes:

1. Inclusion of SMEs in supply chains;
2. Improving food safety and integrated crop protection; and
3. Reducing food losses and improving efficiency in supply chains.

By employing a business case model, hortIMPACT concentrates their support on a number of promising business cases within agribusinesses and farmer groups. Those that have been selected are due to their economic viability, innovations and scalability. These business cases offer exciting opportunities to grow an inclusive horticulture market by addressing productivity, food safety and post-harvest losses. SNV also routinely shares lessons from these business cases with farmers, policymakers and domestic and Dutch agribusinesses for potential scaling up opportunities.

In one example business case (number 7), their aim is to enhance food safety of green leafy vegetables through improved production technologies. This case is led by input supply companies with Dutch links i.e. Koppert, Soilcares and Kenya Highland Seeds, distributor of RijkZwaan seeds. Overall, business cases are led by Kenyan farmers and/or companies and SNV plays a facilitation role while providing market studies and bringing parties together. A similar setup in the first business case that hortIMPACT implemented realized high technology uptake with 75% of the farmers reporting adoption of one or more of the technologies and/or innovations. A 5-20% increase in sales was observed in participating companies. Furthermore, the private sector taking lead in promotion of good agricultural practices is building sustainable relationships with farmers as they are now actively seeking advice from the input suppliers and lead farmers. These relationships are expected to continue beyond the project life.

Improvements in production practices for food safety are complemented by efforts at the market end to guarantee safety and reduce waste. Currently, there are discussions going on with market outlets such as supermarket chains (Carrefour) and open market distributors in Nairobi to establish food traceability systems for improved food safety. When working with large buyers, inclusive business is an important dimension as the program has learned that it is important to work with companies offering good deals for farmers.

3.1 Wilson Njuguna’s Vegetable Farm

The participants visited one of the lead farmers for a hortIMPACT business case, Wilson Njuguna, a vegetable farmer supplying to high end vegetable shops, such as Zucchini.

Njuguna welcomed the participants to his farm and shared that he was driven by his passion for agribusiness and bought a two acre piece of land from another farmer who was unable to properly utilize it. On the farm, he now grows a variety of green leafy vegetables and tomatoes which he supplies to the shop Zucchini and other markets in Nairobi and Nakuru. The vegetables are grown in UV treated net houses and in the open field.

Partnerships with private companies were evident on this farm. Companies such as Real IPM, Soil Cares and Kenya Highland Seed were all at the site and each provided a solution for Njuguna. Collaboration with other companies to ensure complementarity, such as in pest and disease management, was seen as a key element of success in this business case.

Firstly, Real IPM is providing solutions for safe vegetables and sustainable farming through grow bags that have a capacity of 100 vertical plants. The bags conserve water and space, and ensure no contamination by soil borne diseases. Real IPM has growing sale numbers of these bags in the urban areas like Nairobi where space is limited, and in coastal areas that experience water scarcity. The company also provides biological, often preventative, solutions to manage pests and diseases. Elements of drip irrigation are also incorporated into the bag design as a means to conserve water.



Another partnership with Njuguna's farm is with Royal Seed. They ran a demonstration of different varieties of hybrid seeds for tomato, cabbages, kales and pepper on the farm. These were done in a net house as an alternative to plastic greenhouses that are commonly used in Kenya. The metals and nets were supplied by Illuminum Greenhouses and Transglobal respectively. Four different varieties of tomatoes, including bush tomato bred by RijkZwaan, were grown in the netting which made it a perfect training site for farmers with different preferences. The farmers not only learned about good agronomical practices, but also about how to make informed decisions on whether to make an investment in a greenhouse, a net house, or do open field cultivation. Several visiting embassy staff members discussed the issue of affordability of the investments, particularly given the difficulties farmers often encounter in accessing financial services including insurance.

Soil Cares as the third partnership presented an innovative hand-held scanner for real time soil testing for three primary nutrients (nitrogen, phosphorus and potassium), pH and organic matter. Based on the soil test results in combination with Soil Cares' global dataset, the company provides advice to Njuguna and other farmers on the best options for fertilizer. Given the real time nature of this form of soil testing, farmers indicated that they trusted the results more as opposed to taking their samples to the laboratory for testing, which may take a long time. So far, Soil Cares has seen success stories from farmers using their testing service and impact data on yields are being collected. The scanners would normally be used by private agricultural service providers or farmers' cooperatives to whom farmers would pay a service fee. Soil Cares is gradually developing its network of soil test service providers including spray service providers who will collaborate with Soil Cares in another business case of hortIMPACT and be trained on soil testing in future.

3.2 Insights from other countries' experiences

EKN Ghana representative Josephine Ecklu related this business case to the work of Ghana Veg, a program that supports commercial vegetable sector development through the use of out growers. The objective is to promote consumption of vegetables at the household level, and for SMEs to sell to the high-end markets in Accra. Ecklu mentioned that innovation and safe use of sprays is key to ensuring that farmers reap the benefits of their businesses. The embassy is also supporting 30 projects across Ghana which are interlinked to other sectors such as cocoa production.

Consultancy firm Delphy has completed a cost benefit analysis of different models of greenhouses and financing models available in the context of Ghana Veg. The analysis explored which models are most appropriate and affordable to farmers. Food & Business Knowledge Platform (F&BKP) representative Nicole Metz also added that there is a need for all actors along the value chain to collaborate and strengthen contractual agreements with farmers.

EKN Rwanda representative Ton Negenman acknowledged that while Kenya had made strides in adopting various innovations and technologies through public-private partnerships, Rwanda is in the infancy stage of horticulture sector development. Negenman said there are a number of lessons that Rwanda can learn from Kenya, for example, in developing the new “Hortinvest” program with several Dutch stakeholders. This program will include a co-financing fund and business skills for farmers, financing, and technical aspects that are all equally important for success.

On financing instruments, it was argued by a participant that farmers should co-finance on-farm investments if these are market led initiatives. This was linked to the impact assessments done on hortImpact Business Case 1, which showed that 75% of farmers had adopted one or more of the good agronomical practices trained, whereas almost none had adopted the greenhouse technology due to their low purchasing power. For a number of reasons, horticulture smallholder farmers are considered “risky” by financial institutions, hence they may not be able to access financial products to enable them to adopt the technology. EKN Kenya and the Equity Group Foundation are supporting farmers with better record keeping and exploring other financing models.

In addition, the need to develop a scaling up strategy by each of the business cases was highlighted. For instance, the business case stakeholders could partner with agricultural universities to teach some of the lessons learned and create other informative TV and/or radio programs for wider dissemination of best practices. The selected lead farmers for the business cases should also have clear plans of how to finance their businesses for scale up. Some discussion took place about the option to pay a premium price for safe vegetables, similarly to the pricing system used in the dairy sector in Kenya. This however was not considered a good solution as food safety is everybody’s right.

Gender in value chains was also raised following the two farm visits. The participants agreed on the need to focus on women-led businesses and the woman’s role in family farms, and not only on gender as a component in the final evaluation. SNV explained that for each of the business cases, due diligence on the enterprises is undertaken before they can be provided with the grant, and gender forms a key component of that process. For future programs, one participant suggested to consider exploring options for better inclusion of women and to look for partners willing to co-invest in inclusive business alternatives.

Reading

- Kenya Market led Horticulture Program: <http://www.snv.org/project/hortimpact>
- Ghana Veg Program: <http://ghanaveg.org/>

4. Plenary session – reflection from participants

In plenary and group discussions, observations and personal reflections of the key emerging topics were shared in order to formulate initial lessons for policy and practice.

4.1 Reflections from Mozambique

Ernesto Sechene of EKN Mozambique reflected on what was learned from the visits to the dairy and vegetable farmers. Whereas he expected a lot more development at both farms, he said Kenya was ahead in production scale and government regulation. The Mozambican dairy sector is similar to the Kenyan context as smallholder farmers produce the most of the milk (average 12-14 liters), and two main processors are funded by private sector investments. Processors are keen on setting milk prices based on quality. The key challenges for the dairy sector include: side selling by farmers; insufficient water during dry season (Mozambique has one rainy season) hence the effect on production levels; increased mastitis during rainy seasons; and acute shortage of drugs for livestock.

The horticulture sector is steadily growing after being at a slump during and after the 1970’s civil war. There is now an increasing domestic demand for fresh vegetables as a result of urbanization and a growing middle class. There is an increasing focus on safe food for local and export markets, although regulation and enforcement remains a challenge. Farmers have benefited from contracts with large supermarkets and mining companies in the north of the country. The key lessons EKN Mozambique takes home are public-private partnerships, innovation for increased and sustainable production, and regulatory frameworks to support an enabling environment.

4.2 Plenary discussions

For sectors such as dairy and horticulture, it is critical that approaches of value chains or farming systems are not only focused on the practical level but also on the enabling environment for farms and firms.

Inclusiveness was among the key issues discussed. Market led value chains are assumed to be inclusive, and the programs the group visited seem to include the basic assumption that benefits trickle down. This raised concern among the participants. There exists a thin line between building and strengthening trade and investment, and reducing poverty by supporting the poor in the aid and trade agenda.

The farm visits elicited discussions on food security, while nutrition wasn't as much of a feature as expected. The participants argued for focusing on sustainable food systems – those that provide food security and nutrition in such a way that they create the economic, social and environmental bases to sustain future generations. It was shared that KIT is developing a set of improved nutrition indicators to be used in agricultural value chains, which could feed into future embassy programs.

Lastly, it was concluded that monitoring and evaluation of programs needs to be more robust. Currently, monitoring and evaluation makes use of proxies, such as more jobs being created, and more liters of milk produced by the farmer.

5. A sustainable canola value chain linked to consumer markets: engagement with consumer markets

To learn from a case closely linked to consumer markets, the participants visited Agventure Ltd., a farmer-led business owned by eight large scale commercial farmers involved in growing rapeseed as a rotation crop for wheat and other crops. The company has a processing factory for rapeseed and sometimes sunflower, which supplies oil to Unilever as input into its margarine brand, Blue Band. The oil is sold to consumers through select shops as well. The venture has also established a Centre of Excellence for Crop Rotation whose outreach officers assist medium-sized and smallholder farmers to apply conservation agriculture. The Centre has observed that farmers gradually take on these practices as they see that yields can substantially increase. Currently, 5000 tonnes of canola are grown per year, of which 20% originates from smallholder farmers.

At the Madrugada Farm, one of the Agventure farmers, Jonti Barclay welcomed the learning journey participants and explained that the Agventure farmers are passionate about the concept of conservation agriculture. The main elements that they apply and promote are crop rotation, minimum tillage and control of traffic, and maintaining organic soil cover with previous crop residue. To minimize weeds, farmers use recommended pesticides and fungicides. While the scientific basis for conservation agriculture is still debated, many donors are promoting this approach as it could promote soil health, productive capacity and ecosystem services.

“It takes time to overcome scepticism to change the way things have always been done. But continuing to do what’s always been done is a fast road to ruin while economy and the climate continue to change.”

Don White, MD Centre for Crop Rotation

The participants visited the canola and sunflower processing factory where 30 tonnes of canola are processed per day. The factory was established in 2011 at a time when the company was looking for a market for the rapeseed produce. It currently supplies to Unilever’s Blue Band factory in Nairobi, although it does not yet meet Unilever’s full demand of 14,000 tonnes of oil per year. The company in partnership with SNV has been contracting about 500 out grower farmers to respond to this demand gap.

In principle, the factory pays the world market prices to the farmers. When discussing the viability of the business, it was explained that it wouldn’t be viable without the sales of the protein-rich by-product used as animal feed. As compared to producing sunflower oil, the rapeseed oil production is more profitable.

There are several highlights from the plenary discussions after visiting Barclay’s farm:

- **Scaling up** – With technical and marketing support from the Centre of Excellence, Barclay has seen the potential for scaling up with small and medium-sized farmers. He assumed that this works better for medium-sized farmers given that they have better economies of scale compared to small-scale farmers (or even large-scale farmers). From the experiences of Madrugada Farm, medium-scale farmers with 5-10 acres of land are more likely to increase their acreage on the next growing season. In Narok for example, a barley farmer has increased his acreage considerably after learning from the Agventure commercial farmers. The remaining learning question is where is the optimal returns to scale in this farming system?

- **Promoting good agronomical practices** – The canola case shows a large-scale application of conservation agriculture principles and practices, such as crop rotation and minimum soil tillage. For the Madrugada Farm, the switch to conservation agriculture was a matter of necessity given the yield decline of conventional crops due to erratic rainfall. The new management practices have resulted in less root disease, higher levels of water retention in the field, less soil erosion, and the possibility to harvest twice a year instead of once as explained by Barclay. He explained that some years ago his farm used to have contours and a draining tank to control soil erosion. However after implementing conservation agriculture, they no longer need to do the contours and the draining tank is mostly empty. “This is in fact about farming systems,” commented a learning journey participant.
- **Partnerships** – This business case is financed by SNV’s hortIMPACT program (33%), Agventure Ltd. (33%) and Unilever (33%), and it forms a part of Unilever’s sustainability agenda of increasing the share of locally grown and produced canola oil from the current 20% to 100% by 2019. The tripartite relationship between the partners has been exceptional. While public private partnerships may take time and trust to build, in this case SNV has been flexible, realistic and focused in terms of expectations, according to the Agventure team. SNV has been instrumental in supporting six field officers who carry out training in the field, making available its facilities in Nanyuki and Eldoret, and developing publicity materials. Agventure itself is also an important partnership.
- **Spreading the lessons learned** – Agventure Ltd. is passionate about building the capacity of small and medium-scale farmers to get to farming rather than leasing lands to farm more themselves. The experienced farmers who have experienced setbacks in their businesses are ready to spread their experiences and to train and contract SME farmers in Kenya, to initially purchase their rapeseed harvest. SNV has invested public funds to support and work with SME farmers through establishing knowledge ecosystems that transcend the sometimes limited farmers’ skills. Still, conservation agriculture is often a hard sell to smaller farmers as it requires good management skills and a long-term financial outlook. A question was asked whether Agventure Ltd. has any links to agricultural research or knowledge institutions, their team explained that there are numerous knowledge actors, but these are mainly focused on theoretical knowledge that may not apply to Agventure’s commercial practice. Agventure Ltd. however appreciates the role of research in informing practice in agriculture value chains.
- **Enabling environment** – The Centre of Excellence sets a demand of farmers as there is no agricultural infrastructure in most parts of Kenya, especially after the breakdown of effective extension systems. There is also no regulation regarding the importation of edible oil in Kenya.

“We wouldn’t be here today if a group of farmers hadn’t come together. This is a revolutionary business case, but it is not uncontroversial. This is about transformative action. It is a route we take together.”

Jonti Barclay, Owner, Madrugada Farm

Reading

- Unilever, Agventure and SNV signed memorandum: <http://sfs.inn.sii.snv.org/update/unilever-agventure-snv-sign-memorandum>
- hortIMPACT factsheet: http://www.snv.org/public/cms/sites/default/files/explore/download/snv_hortimpact_factsheet.pdf

6. Potato sector development: a visit to Agrico Ltd

The learning journey participants also visited a seed potato multiplication farm and storage facility of Agrico (International Potato Cooperative). On the farm, there were tractors digging the trenches ready to plant the seed potatoes imported from the Netherlands. Willem Dolleman of Agrico explained that the farm was the first multiplication site for seed potato varieties from the Netherlands, the second of which is now in Kitale. Agrico shares the farm with a wheat farmer as part of ensuring crop rotation.

There are several key highlights from meeting with Dolleman regarding this visit:

- **Enabling environment** – Dolleman highlighted that the key concerns for seed potato multiplication was the lack of enabling environment. In Kenya, there are currently 33 seed varieties registered, compared to the 400 seed varieties registered in the Netherlands. There is a lot of interest on the part of smallholder farmers, multipliers and processors for seeds from the Netherlands. The Kenyan government does not allow for the importation of consumption potatoes. Instead, they must be multiplied in Kenya before they can be grown for consumption. There was a recent misunderstanding regarding the requirements for Erwinia, a bacteria affecting potatoes. Whereas in the Netherlands it is generally understood there is a zero tolerance for Erwinia, which means a visual zero during field inspection and a visual zero at the export inspection; KEPHIS (the

Kenyan Government regulatory body) did a lab inspection where Erwinia was found and wanted to destroy 2,000 tonnes of seed potatoes.

- **Knowledge transfer** – Dolleman expressed that few farmers have prerequisite knowledge on how to grow seed potatoes and how to deal with diseases and pests. Potato farming in Kenya is also largely non-mechanized. Few farmers that want to increase production utilize a small planter. A majority of these farmers are those that participate in demo sites and implement the lessons to increase their yields.

At the store, we found a group of women sorting and grading the potato seeds ready for multiplication and storage. One of the supervisors explained that the storage boxes were made of soft wood from Poland which were lighter than the hard wood available in Kenya. He also explained that most of the potato seeds had grown shoots as they have delayed to be planted while waiting for an approval from KEPHIS, which could take about two to four weeks.

IFDC who are spreading the potato seeds to the smallholder farmers, and Charvi Investments Ltd. who are opening new markets for potato growers were also at the store. IFDC is a consortium member of the 2Scale Program which focuses on competitive agricultural systems. They explained that local varieties such as Asante have an advantage over the imported varieties in that they do not germinate easily, hence why a farmer in Meru is able to export to Somalia in good condition. Some discussion followed on whether or not local varieties could be cross-bred with imported varieties. Agrico is involved in some tests with such new varieties. They are the only ones testing this around the equator zone for now

- **Partnerships** – EKN Kenya and KEPHIS are in communication regarding the import requirements and support in plant protection services. The agreements will mutually benefit both countries in that the release of Dutch varieties has brought many investments to Kenya in the form of machines, storage and processing facilities by both Dutch and local companies.



7. Final reflections: harvesting insights and the way forward

The final day brought the participants together to reflect on key insights from this two-day learning journey. It began with respondent presentations on the key issues from the two learning days. Catherine Kilelu of the [3R-Resilient Robust, and Reliable Program](#) and Maureen Munjua of [AgriProFocus Kenya](#) provided key insights before Geert Westenbrink from the Ministry of Economic Affairs of the Netherlands presented a discussion paper on the Agriculture Sector Development Guidelines.

7.1 Key insights from 3R Kenya

Catherine Kilelu explained that 3R – Resilient, Robust and Reliable was developed out of a similar learning journey with the aim of ensuring learning and research accompaniment in ongoing projects and business cases in light of the aid to trade transition. 3R Kenya focuses on three key sectors: aquaculture; horticulture; and dairy. Kilelu’s insights from the learning journey are as follows:

- **Context** – The Kenyan context is different from other African countries represented by the delegation in terms of vibrancy and dynamism. It is mostly private sector driven to meet the huge consumer demands. There is increasing emphasis on food safety by the stakeholders as consumers are conscious of nutrition and food safety needs.
- **Business cases** – It was evident that partnerships between the public and private sectors along the value chain have contributed to the success of the business cases. The public sector’s role is not only to foster an enabling environment, but also to contribute to financing even if the sectors are private sector driven. The

agricultural sector provides opportunities for Dutch companies to invest in Kenya. The question of what instruments and approaches to use for such partnerships was also evident, including exploring the options of guarantees and market led approaches. “The key here is to be clear on who you work with – small, medium and/or large scale farmers.”

- **Robustness, resilience and reliability** – These three components of the business cases were evident as was the case with Agventure diversification model and climate smart agriculture. It was the same case for the dairy sector when sustainable businesses are developed by local businesses with expert support.

7.2 Insights from AgriProFocus Kenya

Maureen Munjua presented the network in relation to FNS stating that AgriProFocus aims to promote more collaboration and synergy between actors in the agri-food sector in Kenya. AgriProFocus country networks (12 African and two in South East Asia) are context oriented in their activities with several Dutch companies, knowledge institutions, public institutions and NGOs active in the networks.

AgriProFocus promotes linking and learning leadership initiatives in Kenya. Under the Dutch Government’s aid to trade agenda, the network facilitates linkages between Dutch organizations and entrepreneurs in Kenya within the Dutch Diamond. In 2016, AgriProFocus organized a learning event of about 27 RVO/FDOV (Facility for Sustainable Entrepreneurship and Food Security of the Netherlands Enterprise Agency) funded programs in Kenya. AgriProFocus recently facilitated a study tour for a delegation from SNV Ethiopia led HortiLIFE project to learn about Kenya’s experience in the horticulture sector development ([see report here](#)). Munjua explained that it is critical that spaces for learning and exchange be created (positive and/or negative), particularly within and between programs where not much learning occurs.

In addition, AgriProFocus appreciates the value of the Dutch Diamond Model, which is embedded in most of the programs and partnerships that exist in the agri-food sector in Kenya. The multi-stakeholder approach that lies at the core of program strategies confirms that platforms do not operate in a vacuum, but exist in a context of diverse actors (Ministries, NGOs, research institutes, consultancies, businesses, etc.). This shows that their approach is not installed to fulfil only the needs of the Dutch government, but a meaningful way to take stock of multiple perspectives in order to achieve a greater good.

While government support to investment and trade activities that benefit both the people and environment are critical, there is more value added in the transfer of knowledge and skills. This should build on the skills and capacities of the local players. Knowledge transfer to build on the local contexts can be seen between the partnership between PUM experts and Perfometer Ltd.

Lastly, there is a clear need for the private sector’s involvement as seen in the [AgriProFocus Benin video on access to finance](#). Programs and institutions should explore ways of building sustainability of partnerships created, by for instance looking at the role of entrepreneurs in co-financing and building on the work done.

7.3 Guidelines for agriculture sector development, Ministry of Economic Affairs

Geert Westenbrink presented a draft discussion paper on “Agricultural Sector Development: Guidelines for Aid and Trade support in Dutch Good Growth Fund countries” which is part of the ongoing work that needs input from EKN Food and Security programs.

The guidelines note sustainable inclusive growth as the guiding principle of the Netherlands, and explores how Dutch investments and aid in partner countries could be (even) more strategic and effective. The paper is a discussion paper because it notes that there is “no one best way” and that all approaches have pros and cons. It presents an approach to identify where the potential for sustainable growth is in a particular country or region and how to match it with the comparative strengths of the Netherlands.

Supporting projects and programs that have been designed using a sector approach were considered the best fit for a number of reasons. Firstly, the government and private sector are often organized at sub-sector level. This creates a natural basis for public-private dialogue with a shared objective of growth and development. For example, a particular farming systems report from Myanmar supports the idea of working with certain value chains because that is where the action is. Secondly, projects and instruments can be linked and integrated to achieve more when working together at the sub-sector level. Thirdly, a sector approach enables the EKN to position itself as the preferred partner within a given sector with growth potential, and strengthens relations with the national government whose role is to provide an enabling environment for businesses to thrive. An analysis of sub-sectors is a

prerequisite for designing agricultural support programs with a balance between public and private sector contribution that fits the local contexts best. Selecting a sector with growth potential and aligning it with the comparative advantage of the Netherlands is critical. A final critical step is to identify a preferred partner with a common goal to form a “coalition of the willing”.

After this presentation, the learning journey participants shared their comments. Some raised concerns such as how to have a common language on what is seen as success. This is in the backdrop of the fact that the business cases in the Kenyan portfolio were considered still too narrow and limited. For instance, how does the program aim to achieve nutrition or food safety? Should the focus be on smallholder or medium holder famers or both? What is the criteria?

Another concern was how many of the guidelines are based on the studies done by programs being supported, like the 3R Kenya Program. While the participants argued that the paper was relevant for certain country contexts over others, Westenbrink said all comments are welcome. The guidelines are presented from a “greenfield perspective” because it is understood that there are a number of ongoing Dutch funded programs in many countries. The guidelines are still relevant in such cases because they can be used as reference to ascertain overall relevance and effectiveness of ongoing agricultural sector programs for purposes of expansion or extension.

Participants of the learning journey were kindly invited to review the draft guidelines and provide their feedback to Westenbrink or through the EKN Kenya before 16 August 2017. Other interested readers were asked to contact Geert Westenbrink for a copy to share their feedback too. The Ministry of Economic Affairs expects to publish a final version by late September.

8. Harvesting session – key insights from the Learning Journey

8.1 Key insights

The key emerging themes from this learning journey were identified by participants during a final plenary session. Some of the points below were also developed during the reflection session on the second day of the learning journey.

Inclusive Business

- Further conceptualization and contextualization is needed for “inclusive business” models in order to better understand how to design and support them. There is a need to develop robust business models. Creating opportunities for entrepreneurial smallholder farmers in the market is a complex challenge, for which there are several approaches. There is no silver bullet. How out-grower models could work best, for example, is a relevant knowledge question. Flexibility is needed in (embassy’s) interventions that include SMEs into a business initiative.
- To work towards inclusiveness, there is a need to differentiate between farmer groups. Some farmers (have potential to) develop farming as a business, but for others it is not feasible, and other forms of support need to be found in working with households to realize their potential.
- Gender still needs to be addressed and strengthened in the EKN funded programs.
- For sustainability of programs of EKN, local partners and stakeholders need to be included therein (i.e. not INGOs). If you want to hand over the responsibility to local partners, you need to do that.

Access to Finance

- Access to finance is a key condition for success of any business model.

Capacity Development and Knowledge Exchange

- Capacity is the engine of development.
- Scaling of the basics is a key condition for success in regards to capacity development of farmers, both in business skills and in technical areas. Appropriate professional quality extension services need to be available for farmers.
- Enable and empower actors within the chain.
- Organize exchange to learn from each other. Opportunities for joint learning at several levels are needed with sufficient continuity.
- Innovate technology in the local context is needed.

Trade and Aid Policy and Program Development

- It is important to get the analysis right of the context and the problems needed to be addressed. Clarify where Dutch intervention can have an added value, and set the indicators to measure effect from the start. For example, 2Scale and horticultural programs may have an effect on nutrition but this is not currently measured.
- While taking the context into account is very important, it may be not too important. Principles can be the same everywhere.
- Quality is important of inputs, produce, and of cooperation and partnerships.
- There is potential for complementarity of both aid and trade objectives. Even if it is hard to find one way of integrating the goals of e.g. production increase, nutrition, climate and sustainability, inclusiveness and trade; it is necessary to do so. Every intervention needs to choose a clear objective while trying to develop an approach that works both for economic and for social development (“and ... and” approach). Dialogue between staff of EKN with economic respectively food security responsibilities is important to search in this complementarity. Also including result areas in both domains in all programs would enable making the connections more easily. In the Kenya program for example, complementarity is gradually being found, which has been a learning journey for EKN.
- There is still not one answer to the question of where to start. Do we start where there is a potential for growth, or where there is the highest need (poverty)? Some learning journey participants proposed to start from a sector, for example, EKN is often approached by the private sector. Others thought that this is one potential angle, while there could be other entry points.
- There is an interest to develop more nutrition-sensitive agribusiness models within the EKN portfolio. “In each farming system, there is potential”, said a participant. Though not necessarily all interventions should be oriented on and monitored on this aspect, some may be delivering on other objectives of the Food Security policy (e.g. opportunity for smallholder farmers). Also, the pathways of delivering on FNS objectives may be diverse (Note: KIT and F&BKP research on these ongoing pathways). Supportive policies to enhance nutrition always need to be in place as well.
- Regarding conflict sensitivity, there are opportunities to work on private sector development in fragile states.
- The Netherlands needs to be strategic when selecting priority sectors or investment areas in each country. This may depend on factors discussed in the “sector paper” of the Ministry of Economic Affairs, and also the factors related to the national or regional political situation.
- In partnerships, these can be successful if they create shared value. For example, in the private-public partnership in the canola value chain, there was satisfaction by all the partners involved (NGOs, government, private sector).
- A range of instruments can be used for the central ambition of contributing to market development, and their complementarity needs to be sought for optimal results.
- Mechanisms need to be developed for scalability of project successes. This also links to creating a proper enabling environment for impact.
- Exit strategy was listed as important, though not extensively discussed.

8.2 Ideas for direct action at country level and at Ministry level:

- Bangladesh – The soil fertility scanner of Soil Cares will be tried in programs of EKN Dhaka.
- Benin – EKN Cotonou will strengthen inclusiveness aspects during the conception phase and implementation of their (new) agri-food program. Based on a good understanding of the context and in discussion with others, EKN will try to find innovative ways to fund agribusiness development.
- Burundi – Adopt and introduce the business case model in sub-sectors in Burundi to support value chain functioning.
- Ethiopia – In an upcoming discussion with Unilever, EKN Addis will address the canola case lessons from Kenya.
- Ghana – Further exchanges about aquaculture will continue between EKN Ghana and EKN Kenya, and about innovative financial solutions between EKN Ghana and EKN Juba.
- Kenya – Foster clarity of project objectives linked to results and strategic partnerships for sustainability and scalability. Work demand-driven with Dutch diamond. Attention for Corporate Social Responsibility (CSR) and Climate-Smart Agriculture (CSA).
- Palestine territories – EKN Ramallah will try to involve Dutch expertise in development of potato sector program with FAO to address existing bottlenecks.
- South Sudan – EKN Juba will embark on a co-creation approach with partners in agribusiness, and try to develop solutions to foster realistic sharing of benefits between large scale farmers and small scale (contracted) farmers.

- Tanzania – Promote partnerships in the potato sub-sector. Promote innovations available from the Netherlands to the local agribusinesses in Tanzania.
- MFA staff – In the results framework, sector development indicators may be integrated, as well as indicators reflecting transformation and innovation resulting from Dutch trade collaboration.
- MFA staff – Promote synergy between central and embassy programs.
- MFA staff – Advocate for sequencing of EKN and The Hague in multi-annual planning process.
- MFA staff – Connect Dutch expertise to country programs for knowledge exchange, and foster work connections between Dutch youth and local youth.

9. Results framework of the Dutch Food Security policy

In this final session, the results framework of the [Dutch Food Security policy](#) was presented by Jeroen Rijniers of the Ministry of Foreign Affairs in the Netherlands and thereafter discussed.

The main conclusions from aggregated data for 2016 include the following:

- Malnutrition – Numbers for reach as well as for effect of reach are in line with set targets, while outcome (number of people out of undernourishment) is not yet measured. Future focus on outcomes.
- Agriculture – Numbers for reach are in line with set targets, numbers for effect of reach lag behind set target, while outcome (number of smallholders that doubled productivity and/or income) is not yet measured. Future focus on effect measurement and on outcomes.
- Ecological sustainability – Numbers for reach as well as for effect of reach lag behind set targets, while outcome (number of hectares under sustainable management) is not yet measured (and also not yet defined). Future focus on increasing scale, effect measurement and on outcomes.

NB: It is understood that one activity can deliver on one or (preferably) more results areas, i.e. indicators.

Gender – Disaggregation of data/results is still very incomplete.

Central/decentral – Relatively, central/multilateral programs contribute most to scale (reach), while decentral programs contribute most to effects.

Methodologies – Need for consistent and reliable approach to measuring and reporting effects that Dutch (co-) funded programs claim to have contributed to (no exclusive attribution necessary by the way, a plausible narrative showing meaningful contribution is sufficient), proportional to the share in paying for the costs of that effect. A kind of survey/sample might be considered as a minimum requirement.

9.1 Questions and Answers session

The main conclusion following the learning journey with regards to results measurement and steering is the insight that the Ministries of Foreign and Economic Affairs might want to consider a broadening of the results framework, given that the FNS Theory of Change (and thus strategy and programs) stretches further than the direct targets and indicators of SDG 2 (on stunting/wasting, smallholder productivity and income, sustainable land use). This would lead to indicators for changes on higher systemic levels, such as sector development (ref. guidelines presented by Geert Westenbrink) and rural and food system transformation, as well as for the success of the Dutch Diamond. Especially the former ones will require some smart thinking, amongst others, in relation to the current PSD indicators.

This implies that the framework might change next year, i.e. that a few indicators will be added. The current indicators will however not change. At best, some will be extrapolated to the outcome level and some might even be removed.