

**MURANG'A COUNTY GOVERNMENT**



**DEPARTMENT OF AGRICULTURE, LIVESTOCK, VETERINARY AND FISHERIES**

**THE AGRICULTURAL  
FARM INPUTS SUBSIDY POLICY**

**2022- 2032**

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## Table of Contents

<b>FOREWORD</b> .....	<b>4</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
<b>DEFINITION OF TERMS</b> .....	<b>6</b>
<b>THE MURANG'A COUNTY AGRICULTURAL FARM INPUTS SUBSIDY POLICY</b> .....	<b>7</b>
<b>1. BACKGROUND</b> .....	<b>7</b>
<b>2. JUSTIFICATION</b> .....	<b>7</b>
<b>3. SITUATIONAL ANALYSIS</b> .....	<b>8</b>
(i) The Agriculture Sector Transformation and Growth Strategy, 2019-2029 .....	<b>8</b>
(ii) National Agriculture Accelerated Inputs Farm Program (NAAIP) .....	<b>9</b>
<b>PRINCIPLES, OBJECTIVES, THEORY OF CHANGE AND METHODOLOGY</b> .....	<b>10</b>
(i) Principles .....	<b>10</b>
(ii) Policy objectives .....	<b>10</b>
(iii) Theory of change .....	<b>10</b>
(iv) Methodology .....	<b>11</b>
a) Needs and market assessments .....	<b>11</b>
b) Beneficiaries Selection .....	<b>12</b>
c) Identification of potential suppliers .....	<b>13</b>
Designing the vouchers and minimizing the risk of counterfeiting .....	<b>13</b>
g. Institutional framework .....	<b>14</b>
<b>4. LEGAL REVIEW, POLICY AND STRATEGIES</b> .....	<b>14</b>
(i) Legal and policy review .....	<b>14</b>
(a) The Constitution of Kenya 2010 .....	<b>14</b>
(b) Food security and nutrition policy, 2017-2022 .....	<b>14</b>
(c) Agriculture Sector Transformation and Growth Strategy 2019-2029 .....	<b>14</b>
(ii) POLICIES AND STRATEGIES .....	<b>15</b>
<b>5. INSTITUTIONAL ARRANGEMENTS</b> .....	<b>16</b>
(i) Policies coordination .....	<b>16</b>
(ii) Monitoring and evaluation .....	<b>17</b>
(iii) Resource mobilization and financial implication .....	<b>17</b>
(iv) Communication .....	<b>17</b>
(v) Policy review .....	<b>17</b>

## PREFACE

The Constitution of Kenya, in its Fourth Schedule, provides for the County agricultural planning as a function of the County Government. The County Governments also have role in implementation of national policies. In this regard the agriculture sector transformation and growth strategy (ASTGS) is premised on three anchors and a number of enablers of which anchor one includes a flagship in support to small scale agriculture through subsidy to deliver a vibrant, commercial and modern agricultural sector

In implementing the devolved mandate, the Governor Murang'a County issued the guiding policy statement on the agricultural farm inputs subsidy program for Murang'a County, 2022 to 2032

as captioned hereunder

### . Policy statement by Murang'a County Governor

The Governor for Murang'a county H.E. Dr. Kangata wishes to make this policy statement regarding the agricultural farm inputs subsidy program for Murang'a County.

Murang'a County has a population of over One Million people according to the 2019 Census. Out of this the rural farming supported population is close to 850,000 people in over 250,000 households. Over the last decade, farmers have relied on subsidy system with physical delivery of materials like planting seed, fertilizers and Services like Artificial Insemination that are largely controlled and determined by the Government.

As such the farmers have had minimal choices of the inputs that they receive from the County Government. The input delivery system has also been restricted to food crops, ignoring inputs support to value chains such as the dairy sector, and fruit value chain like Mangoes.

It is for that reason my Government has introduced the agricultural farm inputs subsidy program that will have the support of assembly legislative implementation framework.

The program will be supported with funds appropriated by the County assembly of Murang'a and the cash shall directly be transmitted to the farmers mobile based accounts.

The value chains and programs supported per annum will be;

1. Dairy at Ksh5/- per litre of Milk delivered by dairy farmers who are members of dairy Cooperatives to buy dairy inputs such as dairy meal.
2. Mangoes at Ksh 5/- per Kg of mangoes delivered to the agro processing contracted company

H.E. (Hon). Dr Irungu Kang'ata

## **Governor - Murang'a County Government**

### **FOREWORD**

Kenya is a democratic republic with two levels of government at the National and the County. The County governments have been assigned 14 functions under the fourth schedule of the constitution, including agriculture, County health and transport services, trade and tourism development and county planning. Devolution is one of the most transformative changes to Kenya's governance system brought about by the Constitution of Kenya, 2010. Article 174 of the Constitution provides that one of the key objectives of devolution is to promote social and economic development and provide proximate, easily accessible services throughout Kenya. Murang'a County has the bulk of its land under food and to some extent cash crop being under heavy investment alongside farm forestry. This tree crops contributes not only food security alongside dairy but has a role in carbon sinking that mitigate the effects of global warming. The agricultural sector still faces many challenges such as a steady reduction of agricultural land, low agricultural production and productivity, high inputs prices, climate change, poor marketing, market uncertainties and low value addition to agricultural products, high post-harvest losses and unfavorable taxation. The objectives of the agricultural farm inputs subsidy policy is to cushion small scale producers from unstable farm input market prices and therefore spur an increase in their use which in turn is expected to push an upward trend in productivity and their fore food security and incomes.

This agricultural farm inputs subsidy policy shall be implemented in line with known global and nationally tested methodologies and shall cover mainly the Mangoes and dairy value chains as a pilot. The focus shall be to empower dairy and mango farmers. While the dairy farmers will be enabled to access farm inputs for their milk herd through cash paid on the basis of milk delivered to their cooperatives societies, the farmers in the mangoes value chain shall be subsidized based on the number of kilograms delivered to processors to be identified on a partnership basis by the County Government. Only registered farmers identified on specific criteria shall qualify. The policy shall be applicable within Murang'a County.

Hon (Dr) Kamau Kiringai  
County Executive Committee Member

## **EXECUTIVE SUMMARY**

The agricultural farm inputs subsidy policy is a policy instrument that outlines the goals, the objectives, the methodology and the justification with the resultant outputs and impacts of the program designed to start in year 2022 up to year 2032. The program is aimed at cushioning farmers through farm inputs subsidy, in the mango and dairy value chains, delivering produce to contracted processors and up takers of raw materials. This is meant to be an improvement to the previous subsidy program where the County Government used to do bulk procurement of specific farm inputs that were non targeted and which has generated a number of lessons to improve on. The agricultural farm inputs subsidy program shall use a mobile based approach where farmers shall receive cash instead of physical farm inputs to offer flexibility in decisions making most ideal to their production options.

The overall goal is to ensure adequate use of agricultural inputs which has been identified as one way of enhancing agricultural productivity. Agricultural input subsidies aim to make inputs available to users at below market costs as a way of incentivizing adoption, increasing agricultural productivity and profitability, increasing food availability and access and ultimately reducing poverty and stimulating economic growth. The logic behind the proposed subsidy is premised on the fact that farm inputs use among small scale producers is low due to inflationary factors beyond their control and ends up leading them to a poverty cycle. The objectives of this program which shall be carried out through an electronic voucher system on a mobile based platform are; To provide for capacity building of the agricultural farm inputs subsidy beneficiaries and process implementers; To facilitate transfer of farm inputs subsidy to farmers/ from physical procurement and delivery of inputs to an electronic mode in form of e-voucher, cash transfers and to ring-fence the farmer subsidies to only the targeted farm inputs and services through an integrated IT mobile based system. A profiled methodology as described shall be followed to achieve the results framework while generating the required tool needed for delivery including a legislative framework. The expected outcomes outlined are an increased production and delivery of milk to dairy cooperatives and an increase in mangoes productivity while the impacts are on the overall reduction in poverty and improving living

standards of her citizens.

## **DEFINITION OF TERMS**

**Voucher:** is a paper or electronic card that can be exchanged for goods or services.

**Cash voucher:** is a voucher that can be exchanged for various goods or services for the specific monetary value indicated on it

**Commodity voucher:** is a voucher that can be exchanged for a fixed quantity of preselected commodities or services

**Voucher scheme:** is a program that provides people with access to goods (agricultural inputs) and/or services at preselected traders/suppliers or shops registered for the duration of the scheme.

**Conditional voucher program** is a voucher program in which beneficiaries are required to fulfil a condition (such as attending a training) in order to receive vouchers.

**Dairy e-voucher beneficiaries-** Farmers duly registered under this agricultural farm inputs subsidy program and as per the policy and legal framework guidelines from Murang'a County delivering milk to dairy cooperatives.

**Mangoes e-voucher beneficiaries:** Farmers duly registered under this agricultural farm inputs subsidy program and as per the policy and legal framework guidelines from Murang'a County delivering mangoes fruits to the contracted processors up taking their produce for marketing and/or processing.

**Farm input Suppliers-** Identified, registered and contracted stockists supplying farm inputs under the agricultural farm inputs subsidy program to beneficiary mangoes or dairy farmers

**Farm inputs subsidy fund:** A fund set up specifically for cash pay outs to beneficiaries through a mobile based platform to cushion farmers from high production costs of farm inputs. The fund payout shall be made against marketable farm produce deliveries to specific cooperatives and/or processors.

## **THE MURANG'A COUNTY AGRICULTURAL FARM INPUTS SUBSIDY POLICY**

### **1. BACKGROUND**

Adequate use of agricultural inputs such as improved seeds and inorganic fertilizers has been identified as one way of enhancing agricultural productivity. However, these inputs can be financially unaffordable or unattractive to many poor farmers in developing countries. Agricultural input subsidies aim to make inputs available to users at below market costs as a way of incentivizing adoption, increasing agricultural productivity and profitability, increasing food availability and access and ultimately reducing poverty and stimulating economic growth.

A key explanatory factor for sub-Saharan Africa's low agricultural productivity, in comparison to other regions of the world, is the region's low rates of fertilizer. As NEPAD (2013) notes, cereal yields in Africa are less than half of those obtained in Asia. Substantial agricultural intensification has not occurred in the region. According to the World Bank (2009), for instance, cereal yields per hectare moved from a little over 1 ton per hectare in 1960 to 4.5 tons per hectare in 2005 in South Asian countries, compared to about 0.9 tons per hectare in 1960 to a little over 1 ton per hectare in 2005 in sub-Saharan Africa. Between 1961 and 2009, cereal yields in sub-Saharan Africa grew by 0.95 percent, compared to 2.40 percent in East Asia, 1.95 percent in Latin America and Caribbean and 1.95 percent in South Asia (Chirwa & Dorward, 2013).

Examples of agricultural input subsidies include tax exemptions, free provision of agricultural inputs, price subsidies where inputs are made available at lower prices to consumers or, as is common in many contemporary contexts, the provision of vouchers to farm households that they are free to redeem in local markets. Agricultural inputs that can be subsidized include seeds, fertilizers, pesticides, herbicides, animal feed, drugs, machinery and fuel. Subsidies are most often only targeted at a few inputs and are in many cases limited to fertilizers or seeds.

### **2. JUSTIFICATION**

The underlying assumption of the agricultural farm inputs subsidy schemes is that by reducing the costs of the use of fertilizer and other inputs, their use will increase, thereby leading to production increases, particularly if the subsidized inputs are used by households facing input market failure (Druilhe & Barreiro-Hurlé, 2012).

These subsidies seek to maximize the multiple benefits of subsidies to different stakeholders

while minimizing their distortionary effects on *inter alia* efficient commercial market operation and development (Morris et al., 2007). The key features of smart subsidies include: promotion of fertilizers as part of a wider agricultural strategy; leveraging the private sector through the use of redeemable vouchers that can promote competition among input suppliers, giving farmers market choices; planning some form of exit strategy into the scheme from its inception; and, a focus on ensuring sustainability and promoting pro-poor economic growth (Morris et al., 2007).

The agricultural farm inputs subsidy that is proposed is meant to reduce costs of delivery of subsidies and improve efficiency. The bulk procurement of farm inputs is tempting and likely to attract corruption schemes. The agricultural farm inputs subsidy proposed e voucher system breaks this temptation and ensures that services actually reaches the intended beneficiaries.

Previous subsidies done by the county government on milk, have taught us that channeling finances through cooperatives is not necessarily the best option as finances have been held up rather than be channeled to farmers.

Since devolution, the County government has not prioritized Mango farming in its subsidies programmes. As a result, the enterprise has had major challenges that have affected production and marketing.

### **3. SITUATIONAL ANALYSIS**

#### **(i) The Agriculture Sector Transformation and Growth Strategy, 2019-2029**

The Agriculture Sector Transformation and Growth Strategy (ASTGS) approach is centered on three anchors and a set of enablers- small scale commercial production, large-scale production and value-addition, and household food resilience. These anchors and enablers cover nine big ideas (“flagships”), to deliver a vibrant, commercial and modern agricultural sector that sustainably supports Kenya’s development in the context of devolution, short-term national aspirations for 100% food security, and longer term global CAADP and SDG commitments. Any flagship projects will need to align with the theory of change of the strategy, and will still have to drive the outcomes determined by the three anchors of the ASTGS.

#### *Anchor 1: Increase small-scale farmer incomes*

The two flagships in this anchor aim to support small-scale farmers, pastoralists and fisher folk to transition from highly diversified subsistence production to more specialized and market-oriented output in higher-yield value chains. Of the ~13 priority value chains identified in Chapter 1, flagships in this anchor focus on those that best support rural development and poverty reduction including potatoes, horticulture, dairy, beef, poultry, fish and maize for food security. Counties should select similar value chains that are most suited for their agro-ecologies, and not feel constrained to these:

1-Target ~1 million farmers in ~40 zones (initially) producing crops, livestock and fish served by ~1000 farmer-facing SMEs that provide inputs, equipment, processing and post-harvest aggregation



2-Shift nationwide subsidy program focus to allow ~3 million registered high needs farmers to access a wide range of inputs (seeds, crop protection, fertilizer, equipment) from a variety of private and public providers, using e-vouchers with digital service delivery

### *Anchor 3: Increase household food resilience*

The two flagships in this anchor increase the ability of the country and individual households to respond to acute emergencies and price shocks with a mix of nutritious traditional staple crops, while building resilience to address food system risks. At the national level, the value chains of focus are maize and beans; but at the household level, value chains are region-specific and can include millet, sorghum, maize, beans, etc.:

1-Restructure governance and operations of the Strategic Food Reserve (SFR) to better serve ~4 million vulnerable Kenyans through:

2- Reserves optimized for emergency responses only; ii. buy/sell guidelines published with pre-determined emergency release triggers for stocks and cash; ii. private sector warehousing; and iv. price stability managed through Treasury (i.e., minimum price controls via cash transfers)

3-Boost food resilience of ~1.3 million farming and pastoralist households in ASALs through community-driven design of interventions, and more active economic bloc coordination of development partner and private sector resources

#### **(ii) National Agriculture Accelerated Inputs Farm Program (NAAIP)**

The government of Kenya under the Ministry of Agriculture, Livestock and Fisheries has been implementing some of the flagship projects as proposed under the ASTGS. The implementation of the Anchor-1 and Anchor-3 within this program has adopted the form of farm inputs subsidy utilizing the voucher system and which Murang'a County Government can borrow a leaf from. Subsequently the e voucher system has successfully been implemented in Lebanon and in Tanzania albeit with a number of challenges from which this proposal can learn from.

Under the emergency challenge, country context, recovery strategy and rationale paper of the World Bank program for intervention in Kenya following the Global challenge arriving from the Corona virus pandemic and the ongoing depression from conflicts in Ukraine a number of similar relevant interventions can be a pointer to continued reference to the ASTGS.

Within its project rationale

The proposed Project takes a three-pronged approach aimed at enhancing the production capacity of smallholder farmers and diversifying their production systems. This will be done by up-scaling two ongoing GoK programs, which target: (i) the poor and vulnerable smallholder farmers in maize production zones; (ii) smallholder farmers in marginal areas where maize does not do well; and (iii) other smallholder farmers and traders through provision of input credit to purchase agricultural inputs. The support to poor and vulnerable farmers will involve the provision of input vouchers aimed at enhancing their maize production.

To ensure quick results and impact, the proposed project intends to scale-up two on-going GoK programs. These programs are: the NAAIAP and the Orphan Crops Program (OCP). The choice of these two GoK programs is informed by the valuable lessons learned from the AISP implementation and the need to have activities that are quick disbursing and can immediately address the emergency situation. Through the support provided under AISP, 48,000 smallholder farmers (96 percent of the targeted beneficiaries) received input vouchers during the 2009 long rains planting season.

## PRINCIPLES, OBJECTIVES, THEORY OF CHANGE AND METHODOLOGY

### **(i) Principles**

This policy and strategies are premised on

*The principle on right to development:* The right to food and right to development under the Bill of rights chapter six of the Kenya Constitution 2010 will be exercised while taking into consideration the harnessing of not only the specific County's economic and social needs but also enhancement of conservation of fragile zones within the County.

*Principle of good governance:* The principles of rule of law, effective institutions, transparency and acceptability, respect for human rights and the meaningful participation of civil population will be integrated in the target resources management initiatives.

### **(ii) Policy objectives**

1. To provide for capacity building of the agricultural farm inputs subsidy beneficiaries and process implementers to improve on the delivery;
2. To facilitate transfer of farm inputs subsidy to farmers/ producers of raw materials and service providers' in Murang'a County from physical procurement and delivery of inputs to an electronic mode in form of e-voucher and e cash payment.
3. To ring-fence the farmer subsidies to only the targeted farm inputs and services through an integrated IT system.

### **(iii) Theory of change**

The theory of change for intervening in input markets through input subsidies is that subsidies will lead to incrementally increased use of subsidized inputs, which will in turn lead to increased agricultural productivity and production. This will result in increases in incomes for farm households as well as wider effects on consumer welfare through lower food prices, increasing demand for labour, higher wages and incomes, reductions in poverty and increases in overall economic growth. Subsidies offset higher input costs and tend to equalize the farming population. Eventually subsidies lower the overall cost of production effectively pulling down cost of food.

This outcome is itself affected by changes in a number of intermediate outcomes and by the validity of underlying assumptions. Firstly, where a subsidy program is introduced, there must be a functioning distribution mechanism in place to make the subsidy available to farmers at the local level. Potential corruption in the supply chain also needs to be addressed to prevent leakage or subsidy diversion.

Where subsidies are made available at the local level, farmers must be aware of their eligibility to access them and recognize the value of the subsidy/ input to actually make use of them.

For adoption of the subsidy at the farm level, usually measured through increases in the use of the subsidized input, the subsidized inputs must actually be utilized by farmers rather than being sold or otherwise diverted. However, where subsidized inputs are sold, they may still lead to changes in farm incomes through increased cash incomes from their sale despite not actually impacting productivity or yield at the farm level (Kaiyatsa, 2015). Where farmers do access subsidies, displacement of commercial sales of inputs may occur.

#### **(iv) Methodology**

A subsidy voucher is a delivery mechanism that provides farmers with access to agricultural inputs and/or services. Beneficiaries are provided with a voucher that they can exchange for inputs at existing suppliers (shops/representative sales' person) which have agreed to honor the vouchers. The registration of selected suppliers to the scheme is mandatory for the duration of the scheme, which usually lasts several weeks or several months. The vouchers do take the form of physical paper vouchers but more efficiently the electronic voucher format and e cash via mobile platforms.

The agricultural farm inputs subsidy program is proposed to adopt an e voucher system and e cash transfer through mobile transfers and shall be implemented and be shortened to reduce bureaucracy. Starting from a data base, stored through a MIS, the farmers shall receive their payout through electronic transfers including mobile platforms. Certain procedures need to be accomplished to make the subsidy work smoothly that includes

##### **a) Needs and market assessments**

Voucher schemes can be organized based on identified needs and on the analysis that they are the most appropriate instrument to meet those needs in a timely, efficient and effective manner. As voucher systems interventions have an impact on local markets and economies, the main prerequisite is to assess/confirm that markets are functioning and that any inflationary effect will be minimal.

Accordingly, the quantitative and qualitative needs and gaps of the target population groups should be assessed involving the participation of potential beneficiaries and other key

stakeholders capturing ~~the~~ preferences in terms of agricultural inputs eg. feeds and seed varieties.

The market assessment could provide information regarding the capacity and willingness of local vendors to support the proposed voucher intervention, i.e. vendors' capacity to supply inputs/services. in the required quantity, of the correct specifications, of satisfactory quality at prevailing market prices. This could be based on assessments of market accessibility and functionality, including and likely effects (if any) of voucher operations on prices, inflation, supply chains, availability of goods, etc. In case there is no available assessments, a rapid market survey should be launched to probe the market in terms of access, availability and quality.

Based on these assessments, the organization will select the agricultural inputs both in terms of quality and quantity, which will be needed during the agricultural farm inputs subsidy e-voucher scheme. This selection should take into consideration: the request of the affected population; suitability of inputs to the local conditions; beneficiaries' familiarity with the inputs; and the price.

#### **b) Beneficiaries Selection**

Beneficiary targeting depends on the objective of the program, Targeting should be carried out according to clear and transparent targeting criteria and should be equitable and fair to prevent potential tensions. It should also involve the local community and/or the local authorities to minimize the risk of elite capture.

##### **i. Who is valid for subsidy?**

Only mango and dairy farmers will be initially qualified in this e-subsidy program. Specifically, only *marketable fruits from mango farmers delivered to cooperative societies* and milk deliveries to *cooperative societies shall qualify for the subsidy*. The subsidy vouchers will have limited periods of validity and defined values and target inputs per season or the case may be. The subsidy will be implemented county wide.

##### **ii. How to seal value chain weaknesses?**

To ensure an improvement on previous physical farm input subsidy challenges encountered in maize seed, french beans, artificial insemination, milk and fertilizers, the County Government will have clear entry and exit plans to avoid dependency on subsidy without measurable outputs. The government will specifically intervene in specific weak links to close up the gaps and ensure farmers are able to market their produce.

##### **iii. How will beneficiaries access the fund?**

A needs and market assessment proposed to be carried out shall identify parameters under which bench marks shall be set. All the registered farmers shall then be entered into an MIS IT platform and categorized based on their vulnerability to market shocks. To access the subsidy, the farmers will have to market through identified processors from where data shall be available through the MOU and legal contract to qualify for subsidy.

### **c) Identification of potential suppliers**

The County could carry out a market assessment to identify potential suppliers who are willing to participate in the voucher system and meet the County' requirements. This identification of suppliers could be made through several actions.

### **Quality control of inputs**

In order to achieve the objectives of agricultural farm inputs subsidy, it is critical to ensure that the inputs available to beneficiaries meet certain minimum quality standards. The County government shall ensure compliance to quality standards.

### **Maximum prices and monitoring**

As mentioned prior to launching the agricultural farm inputs subsidy, it is essential to conduct a market analysis, which would reveal the current prices for the agricultural inputs that will be made available against the subsidy voucher and prevent suppliers from using the issued voucher to raise their prices.

### **Designing the vouchers and minimizing the risk of counterfeiting**

Value of the voucher

The value of the voucher will be pegged on quantities of milk and mangoes delivered to respective cooperatives by individual farmers. A Kilogram of milk and a Kilogram of mangoes will be subsidized at Ksh 5.

### **Delivery mechanism**

The agricultural farm inputs e-voucher farm input subsidy will be adopted and shall target qualifying farmers in crops and livestock sub sectors.

Specifically, it is proposed that in crops it should target farm inputs on select cash crops that are strategic to the County economy and to be piloted in the Mangoes value chain in line with the current Governments development objectives.

Under livestock it is proposed to target dairy with specifics to guaranteed minimum returns(GMR) in milk as a priority to enable dairy farmers access quality inputs for increased productivity

The veterinary artificial insemination (AI) service is critical to breed improvement and therefore milk yields increase in addition to cow feeding. There has been an ongoing subsidy on semen seed. A management information system (MIS) data platform is proposed to support the impact process on the subsidy with an increase in breed quality so far achieved. An IT based data capture is essential to qualify its role in dairy production improvement.

It is proposed that electronic transfer be used based on mobile platform application to allow the cooperative-registered mango and milk farmers receive their cash payout upon delivery and sale of their milk and mangoes.

**g. Institutional framework**

The agricultural farm inputs subsidy program shall be implemented under the guidance of the CECM department of agriculture, livestock and fisheries. The day to day running of the program shall however be under a fund manager.

**i. Agricultural farm inputs Fund creation**

There shall be a fund created through a legal framework regulation under the public finance management Act 2012 to be operational within Murang'a County for purposes of facilitating farmer beneficiaries in the agricultural farm inputs subsidy program for dairy and mangoes value chains

**ii. Program sustainability**

All cooperatives shall be required to develop a sustainability mechanism in both dairy and mango subsidy programmes

**4. LEGAL REVIEW, POLICY AND STRATEGIES**

**(i) Legal and policy review**

**(a) The Constitution of Kenya 2010**

The Constitution stipulates the distribution of functions between the national and the county governments whereby among the functions and powers of the county is; agriculture, including - crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control; and fisheries. In section 43 (c) under the bill of rights, the Constitution stipulates that “every person has the right to be free from hunger and to have adequate food of acceptable quality”.

**(b) Food security and nutrition policy, 2017-2022**

It is the policy of the Government of Kenya that all Kenyans, throughout their life cycle enjoy at all times safe food in sufficient quantity and quality to satisfy their nutritional needs for optimal health. The broad objectives of the Food Security and Nutrition Policy are To achieve good nutrition for optimal health of all Kenyans, To increase the quantity and quality of food available, accessible and affordable to all Kenyans at all times, To protect vulnerable populations using innovative and cost effective safety nets and emergency relief programs linked to long term development and To develop implementation arrangements that would achieve the objectives of the policy.

**(c) Agriculture Sector Transformation and Growth Strategy 2019-2029**

The ASTGS approach is centered on three anchor strategy's and a set of enablers- small scale commercial production, large-scale ~~commercial~~ production and value-add, and household food resilience

#### Anchor 1: Increase small-scale farmer incomes

The two flagships in this anchor aim to support small-scale farmers, pastoralists and fisherfolk to transition from highly diversified subsistence production to more specialized and market- oriented output in higher-yield value chains. Of the ~13 priority value chains identified in Chapter 1, flagships in this anchor focus on those that best support rural development and poverty reduction including potatoes, horticulture, dairy, beef, poultry, fish and maize for food security. Counties should select similar value chains that are most suited for their agro-ecologies, and not feel

### **(ii) POLICIES AND STRATEGIES**

#### **I. Objective One**

To provide for capacity building of the agricultural farm inputs subsidy beneficiaries and process implementers to improve on the delivery.

##### **(a) Murang'a County Government policy commitment**

The County executive committee shall ensure timely processing of approvals for projects requisitions and all partnerships in support of the agricultural farm inputs subsidy program aimed at capacity development of all actors identifies within the policy;

##### **(b) Strategy adopted**

- i. Recruit and facilitate training of all service providers engaged including extension workers and farm inputs traders;
- ii. Recruit and facilitate training of all beneficiaries engaged in the agricultural farm inputs subsidy program;
- iii. Recruit and facilitate a participatory development of a platform for delivery of agricultural farm inputs subsidy program that shall be electronically administered via an information management IT system.

#### **II. Objective Two**

To facilitate transfer of farm inputs subsidy to farmers/ producers of raw materials from service providers' in Murang'a County from physical procurement and delivery of inputs to an electronic mode in form of electronic voucher system an e cash mobile platform.

##### **(a) Murang'a County Government policy commitment**

The County Government shall ensure keen implementation of the methodology outlined in the policy to the letter in line with tested national and global standards of agricultural farm inputs e-subsidy farm inputs program while continuously adopting best practices in the industry;

##### **(b) Strategy adopted**

- i. Take time to study best practices in industry through bench marking among peers;

- ii. Conduct a needs and market assessment of the subsectors chosen for support;
- iii. Ensure a fair and equitable beneficiary selection process
- iv. Clearly map out the potential suppliers with a potential to serve the program smoothly
- v. Regularly conduct farm inputs quality control within the program to ensure value for money;
- vi. Set a committee to determine maximum pricing and review when need arises including voucher validity;
- vii. Conduct regular monitoring of the program and advice the county executive;
- viii. Procure services of an expert in development of the best IT based MIS and a complementary mobile based application for the work according to policy specifications;
- ix. Design a delivery mechanism that serves the program adequately
- x. The County shall ensure an incremental membership for the cooperatives under this program
- xi. The cooperatives will be encouraged to employ qualified personnel for cooperative management

### **III. Objective Three**

To ring-fence the farmer subsidies to only the targeted farm inputs and services through an integrated IT system.

#### **(a) Murang'a County Government policy commitment**

The county executive committee shall ensure timely processing of approvals for projects requisitions and all partnerships in support of the agricultural farm inputs subsidy program

#### **(b) Strategies adopted**

- i. That County government shall facilitate the approval process of this policy framework and assist in development of a legal instrument on the agricultural farm inputs subsidy program that intends to create a farm input fund under the public Finance Management Act of 2012;
- ii. Subsequently appoint a fund manager to run the program in line with the regulations once enacted by Murang'a County assembly;
- iii. Allocate and ensure the voting of the funds by the county assembly of adequate resources within the annual development framework to support the running of the program within the department of Agriculture, Livestock, veterinary ad Fisheries,
- iv. The County government shall ensure that there is good corporate governance in the respective cooperative societies under the subsidy program;
- v. The county will design and implement strong controls systems and risk mitigation measures.

## **5. INSTITUTIONAL ARRANGEMENTS**

### **(i) Policies coordination**

A committee shall be established under the CECM Agriculture, Livestock, Veterinary and Fisheries, to implement, monitor and evaluate the program. This committee shall be



coordinated under the County Agricultural Sector Steering Committee (CASSCOM) to ensure participation of a broader array of actors.

**(ii) Monitoring and evaluation**

A monitoring and evaluation framework shall be generated to allow for regular monitoring by committee under CASSCOM and an evaluation within every season of implementation.

**(iii) Resource mobilization and financial implication**

The agricultural farm inputs subsidy fund shall be a fund established as a money bill within the finance management Act 2012 through regulations. To ensure the program gains traction, the County Government of Murang'a shall set funds aside to fund the program while mainstreaming it in the annual planning and budget cycle. The county shall endeavor to attract equal partners within Murang'a and beyond that are or may be interested in similar social programs targeting the vulnerable in an effort to expand the initiative beyond the two value chains.

**(iv) Communication**

The committee appointed to monitor the program shall generate a seasonal report and preferably at the end of each cycle but not later than once each year or half year to be submitted to the office of the Governor and to Murang'a County Assembly

**(v) Policy review**

This policy shall be due for review within two consecutive years but not later than one five-year period within the period of implementation.