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Key drivers of success for agricultural transformation in Africa
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Job creation and entrepreneurship development in rural/farming communities

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Executive Summary

Importance of Agriculture in Kenya's economy

The agriculture contributes about 24% of the GDP, 75% of industrial raw materials, 65% of Kenya's total exports, 18% of formal employment, and 60% of the total employment. Kenya Vision 2030 identified the sector as one of the key drivers of the economy in order to sustainably achieve average economic growth rate of 10 percent, reduce poverty levels to 25% and boost food security to 30% by the year 2030. The development of agriculture is also important for poverty reduction since most of the vulnerable groups like pastoralists, the landless, and subsistence farmers, also depend on agriculture as their main source of livelihoods.

Kenya's economic scene and agricultural sector challenges

Kenya is still below the 10% annual growth rate target envisaged in Vision 2030. Majority of our people are still food insecure and live in abject poverty, especially in rural and slum areas of urban cities. The economy grew at 4.6% in 2012, up from 4.4% in 2011 and created about 660,000 jobs in 2012. Agriculture remains the mainstay of our economy, yet low productivity in agriculture and weak manufacturing sector in the face of rising imports and stagnating exports, remains a major concern. Our growth expectation for 2013 is 5.8%, rising to over 7% cent in the medium term and 1 million jobs annually to have an impact on unemployment and poverty reduction. In order to achieve the growth targets, Agriculture and Manufacturing must be integrated. The low productivity of agriculture is caused by use of inappropriate technology, inaccessible farm inputs, weak extension support services, poor access to farm inputs, poor access to finance and credit low value addition in the production chain and in developing marketing support mechanisms for farmers, pastoralist and communities involved in fishing and over reliance on rain-fed agriculture.

Measures to improve Agriculture Sector productivity

Kenya has embarked on the implementation of a comprehensive agricultural revitalization program aimed at expanding, enhancing productivity and transforming agriculture into a business venture. We are implementing Agricultural Sector Development Strategy (ASDS) aimed at raising productivity of the sector. Interventions are in the areas of research and development; improving delivery of extension services; strengthening producer institutions; intensification and expansion of irrigation; seed improvements; livestock development and fisheries development

Under Kenya Vision 2030 Second Medium Term Plan, 2013-2017 we are also implementing the following flagship projects to improve productivity of the agriculture sector and integrate it with manufacturing and services sector: Fertilizer Cost Reduction Strategy - to import in bulk from source, blend and package; Establishment of Coast Disease Free Zone - to facilitate access of Kenyan meat, leather and leather products to local, regional and international markets; Fisheries Development and Management - expanding the area of fish farming from the current high potential areas to Arid and Semi Arid Lands (ASALs); increase fish production from capture fisheries through capacity building for exploration of under-utilized water bodies; Development of Multipurpose Dams - provide hydroelectric power, water for domestic and industrial use, flood control, irrigation development and environmental conservation; Accelerated Agricultural Inputs Access Programme – to improve access of agricultural inputs such as fertilizer, agrochemicals and seed; and Agricultural Credit and Financial Services Access Programme – improving access of agricultural credit and insurance to agricultural value chain players.

Measures to address market access

We are working closely with our Partners within East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA) and Southern Africa Development Community (SADC) to facilitate markets for our agricultural. In addition, we are fast tracking the establishment and making operational a Commodity Exchange Market for agricultural produce and, through the Capital Market Authority, license a Commodity Features Exchange; and also implementing fresh produce markets and whole sale hubs across the urban centers throughout the country to create market opportunities for farmers.

On access to markets for youth and women entrepreneurs, we are making the public procurement process play a leading role in driving growth, creating quality jobs and reducing poverty in our economy by implementing a preference and reservation regime for the youth, women and persons with disability; and creating an enabling legal and regulatory environment to empower the Micro, Small and Medium Enterprises to do build capacity for entrepreneurship and address competitiveness for business in agri-business, manufacturing, trade and services.

Harnessing talents of the Youth for Entrepreneurship