An inclusive agricultural value chains transformation in East Africa through increased access to markets, increased productivity, value addition and strengthened resilience to shocks.
The Kilimo Trust Strategy for Transformation of Agricultural Value Chains in East Africa 2018-2023 provides a framework and the organizational direction in which Kilimo Trust will pursue the journey of transforming smallholder farmers and other value chain actors within the East Africa Community. In the development of this strategy, Kilimo Trust has ensured that it is aligned to six SDGs; 1) No Poverty; 2) Zero hunger; 5) Gender Equality; 8) Decent work and economic growth; 9) Industry Innovation and Infrastructure; and 13) Climate Action.

Kilimo Trust through this strategy also contributes to the Comprehensive African Agriculture Development Programme (CAADP), EAC’s Regional Agricultural Investment Plan and the individual national agricultural investment plans by focusing on the following five thematic areas: (i) Increasing agricultural production and food supply, (ii) Enhancing food utilization, (iii) Promoting agribusiness, market access, value addition and agro-industry, (iv) Promoting sustainable natural resource use and management and (v) Strengthening capacities of agricultural institutions.

This strategy has been developed based on critical review of Kilimo Trust’s achievements and operating environment from implementation of previous strategies. We recognize that to transform the lives of smallholder farmers and other value chain actors, there is need to build sustainable, inclusive and competitive agricultural value chains. This can only happen if there is efficient multi-actor coordination and partnerships among development partners together with public and private sector players.

Going forward, Kilimo Trust will invest in building partnerships that leverage and unlock resources for the development of strong agribusinesses along the agricultural value chains that respond to market opportunities. In doing so, Kilimo Trust will be making its contribution in the improvement of the quality of life for 500,000 smallholder farmers in the next five years.

In a special way, I would like to extend my appreciation to the Board, Management and Reev Consults led by Prof. Augustus Nuwagaba who facilitated the strategy development process. We are also grateful for the immense support and guidance received from all the stakeholders consulted during the entire process.

On behalf of the entire Kilimo Trust Board & Management, I take this opportunity to invite you to partner with us to deliver this strategy.
WHO WE ARE

Kilimo Trust has increasingly become the go to partner for market-led agricultural value chain development in East Africa. We seek to be an implementing partner of choice for EAC governments, the private sector, regional and international development partners.

We began operations in 2005 with a strong focus on managing grants—over USD 13 million, disbursed through 50 projects that strengthened agricultural value chains and built the capacity of smallholder farmers. Leveraging our experience and expertise in value chains transformation, in 2011, we transitioned to a direct implementer to be better able to serve the region’s smallholder farmers and other agricultural value chain actors in helping them become key players in local, national, and regional value chains.

As evidenced by our core values, we believe in partnerships and in delivering value for money. We therefore seek partnerships that benefit from synergies and our expertise. We design our interventions in an integrated way so as to reach and effectively serve as many smallholder farmers and other value chain actors as possible for each dollar spent.

We are headquartered in the Republic of Uganda, with affiliated subsidiaries in Tanzania, Rwanda and Kenya. We have staff in each of the EAC countries but we keep a lean operations team; preferring to work through partnerships with local and regional actors to increase efficiency.

In the past 12 years of our operation, with our deep technical expertise in agriculture, leveraging our value chains development model and providing technical assistance to governments, the private sector and other development partners, our work has directly registered the following achievements:

**Our Achievements from 2011 - 2018**

- Over 216,000 MT of food staples valued at over USD 122 Million sold through structured trade
- Over USD 48 Million leveraged from agribusiness MSMEs through matching grants and agricultural loans
- Over 137,000 smallholder farmers and 42 SMEs accessed Business Development Services
- Over 200 operational business linkages under 31 Business Consortia, established
- Over 160,000 smallholder farming households integrated to national and regional markets
- Over 124,000 SHFs and SMEs have benefitted from KT supported trainings
- 67 value chain analytics and policy briefs developed and published
- 60 GIS suitability maps showing supply and demand dynamics of food staples in the EAC developed and disseminated
- Over 109,000 value chain actors and other partners accessing online Kilimo Trust knowledge products annually.

Transforming Lives Through Agribusiness
Challenges in the EAC Agricultural Value Chains

Throughout the EAC, agriculture remains the key sector for lifting smallholder farmers out of poverty. The agriculture sector employs over 70 percent of the population in each of the East African Countries, yet its contribution to GDP is a paltry less than 30 percent across all those economies.

Whereas there is increased public and private investment in agriculture in Africa and governments are taking ownership of national plans for agricultural transformation, there remains considerable constraints that hinder smallholder farmers—especially women and youth—to leverage the drive for commercialization of agriculture to lift themselves out of poverty. This strategy is responding to gaps and bottlenecks that remain in order to unlock the potential of agriculture to transform lives of the most vulnerable.

The gaps that have been identified include inadequate value chain development, low productivity, low commercial participation of farmers in agri-business, weak linkages to input and output markets; limited business and entrepreneurial skills of value chain actors (subsistence mindset), low utilization capacity of processing & storage facilities, high post-harvest losses, limited participation of youth in agricultural value chains, gender inequality in the programming, limited access to agricultural finance and technologies, inadequate market and irrigation infrastructure, and limited effective government regulation and support.

Additionally, relatively few interventions focus on supporting the vulnerable groups such as youth, women and refugees. This has been against the backdrop of climate change manifested in persistent drought and flooding; and market volatility (price fluctuations) that have greatly undermined production and productivity.

Strategic Direction

Working with our stakeholders, we have developed this strategy to respond to these challenges. The strategy is in alignment with national strategies for all the EAC countries and major development partners, the Comprehensive African Agriculture Development Programme (CAADP), EAC’s Regional Agricultural Investment Plan, and the UN Sustainable Development Goals (SDGs). Looking ahead, the following will form our strategic direction;

Vision

Our vision is a sustained and equitable wealth creation, food and nutrition security for smallholder farmers and other value chain actors.

Mission

We exist to make agri-business a transformative tool for wealth creation, food and nutrition security for smallholder farmers and other value chain actors.

Objectives

- Our new strategy focuses on the following five thematic areas: (i) Increasing agricultural production and food supply, (ii) Enhancing food utilization, (iii) Promoting agribusiness, market access, value addition and agro-industry, (iv) Promoting sustainable natural resource use and management and (v) Strengthening capacities of agricultural institutions.

- With this new strategy, we aim to directly improve/impact the quality of life for 500,000 smallholder farmers in five years by delivering the following
Strategic Objective 1). Increasing farmers’ access to sustainable, profitable and structured input

and output markets, particularly that benefit women and youth. Our strategy seeks to increase access to sustainable, profitable and structured input and output markets (inclusive of women and youth). This is critical in igniting an agricultural transformation; which requires that farmers exit from subsistence, low-input/low-output approaches of farming to the production of marketed surpluses. Kilimo Trust will structure trading systems as well as increase women and youth empowerment in agricultural value chains. We will also strengthen linkages between smallholder farmers and large off-takers—leveraging technology to drive capacity improvements among local agribusinesses and innovations in these linkages. This will be achieved through the following strategic initiatives:

1. Strengthening the capacities of SHFs and SMEs to run sustainable and profitable businesses
2. Improving farmers’ and other agricultural value chain actors’ resilience to market shocks,
3. Increasing the adoption of viable business models to develop value chains that efficiently crowd-in the private sector
4. Improving youth and women’s agricultural skills and opportunities.
5. Increasing understanding of commodity end markets and policy environment

Strategic Objective 2). Increasing productivity, quality and value of agricultural produce among smallholder farmers

Increased smallholder productivity is critical to improve food security and to generate a surplus that can be sold to increase incomes. Kilimo Trust seeks to increase productivity, quality and value of agricultural produce among smallholder farmers especially women by partnering with and supporting local seed companies, fertilizer blenders, and agrodealers to sustainably market and deliver their inputs to these smallholder farmers. We will also work with smallholder farmers to profitably invest in these inputs and to increase adoption of associated good agronomic practices.

Apart from GAPs, Kilimo Trust has a strong component on reduction of post-harvest losses and increased value addition. We believe by intervening at this node of the value chain, the value of agricultural produce will be improved, in addition to increased utilization capacity of processing & storage facilities.

This will be achieved through the following strategic initiatives:

1. Increasing adoption of productivity enhancing technologies and practices (including climate smart agriculture and cost reducing technologies);
2. Increasing adoption of post-harvest handling and loss (including nutritional) reducing technologies and practices; and
3. Increasing value addition and processing of agricultural products.
4. Developing linkages to fabricators/suppliers of effective technologies
5. Scaling up skills development among smallholder farmers and other value chain actors

Strategic Objective 3). Strengthening resilience to shocks and enhance sustainable food systems

Agricultural transformation requires an increased capacity of smallholder farmers and agricultural systems to better prepare for and adapt to shocks and stresses. Kilimo Trust will strengthen resilience to shocks and enhance sustainable food systems through increased access and utilization of business development services that include early warning information and risk mitigation measures such as agricultural insurance, weather and market information, drought tolerant varieties, irrigation, integrated pest and disease management, integrated soil fertility management among others. This will be achieved through the following strategic initiatives:

1. Pro-active training and information sharing on various risk management strategies.
2. Promoting interventions that enhance the resilience of the production system to climate change and climate variability
3. Delivery of on-demand business development services among smallholder farmers and other value chain actors
4. Establishing business linkages between value chain actors and business development services providers
Strategic Advantage Profile

In order to achieve the above strategic objectives, Kilimo Trust will leverage and strengthen the following capabilities:

1. **Strong Partnerships:** Kilimo has great partnerships with all EAC governments, development partners, private sector, academicians and other significant players in key value chains. As proponents of the consortium approach to value chain development, partnerships are a key strategic approach to our work. We will strengthen this even more by seeking to enhance partnerships with national, regional, bilateral, multilateral and global organizations focused on strengthening value chain development.

   The aim is to improve value chain coordination and efficiency by establish strong building blocks along the value chain that ensure movement of agricultural produce from the farm to final market.

2. **Strong Brand:** Kilimo Trust stands out as a significant contributor to the agricultural transformation agenda in the EAC region. The organization has an experienced Board of Trustees with a private sector orientation—which provides strategic and enterprising leadership and is responsible for governance. The senior leadership has expertise in key areas that drive agricultural transformation and value chain development. Kilimo trust is recognized for its effective consortium approach to value chain development (KT-CA2VCD) model which has delivered sustainable market linkages and business relationships that create impact among smallholder farmers. Kilimo Trust has offices and projects in all EAC countries and has built up experience in integrated delivery of projects across the region—building on synergies, knowledge transfer and deepening best practices. The organization’s online and mobile powered monitoring, evaluation and learning system has increased reliability and integrity of evidence based programming that delivers results. The historical experience with grant-making has enabled Kilimo Trust to develop robust financial management systems with transparent and accountable processes. We will work to strengthen the brand even more with improved stakeholder management and strategic communications planning.

3. **Sustainable and Innovative Organization:** In order to cement our positioning as an organization that delivers value for money, we will work to decrease the administrative burden on projects by increasing our fundraising drive and cost-sharing project costs through partnerships. We will also increase organizational sustainability through innovative income generating consultancy services that leverage internal expertise in business development services, capacity building and research.
Business Model and Theory of Change:
By addressing the three strategic objectives and leveraging our existing capabilities we will deploy the KTCA2VCD model to deliver this strategy. The theory of change is shown in the figure below.

**Improved Quality of life for SHFs and other VCAs**

**Sustained and Equitable Wealth Creation, Food and Nutrition Security for SHFs and other VC actors in EAC**

- Increased Access to profitable, inclusive and structured input and output markets
- Sustainable and Resilient Food Systems
- Increased Productivity, Quality and Value of marketed Produce

- Increased Adoption of Viable Business Models
- Strengthened Capacities of SHFs and SMEs to run profitable businesses and improved resilience to market shocks
- Increased access and Utilization of BDS (including early warning information and risk mitigation measures)
- Increased Adoption of Productivity Enhancing Technologies and Practices (including CSA and cost reducing Technologies)
- Increased Adoption of Post-Harvest Handling and loss (including nutritional) Reducing Technologies and Practices
- Increased Value Addition and Processing of Agricultural Products

**Cross- Cutting Outcomes**
- Increased Women and Youth Empowerment in Agricultural Value Chains
- Strengthened Partnerships, Collaboration and Coordination within Agricultural Value Chains
- Sustainable and Innovative Organization
“Partner With Us as We Transform Agricultural Value Chains in the EAC region to Respond to the Growing Global Food Demands”

Call to Action

For More Information, Visit Our Website: www.kilimotrust.org