



Country Update

Implementing adaptation strategies to climate change: views from farmers & agro-processors

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Introduction

This note presents the views of Kenya’s stakeholders on how to boost agro-processing while facing climate change. The note was prepared based on data collected from agro-processors, policymakers, and civil society organizations through key informant interviews, phone calls, electronic communications, and field visits. The respondents were sampled from the following institutions:

Trufoods Kenya Limited: Trufoods is a midsize agro-processor established in Kenya. It produces several products including fruit jams, tomato sauce, and processed butter beans among others.

Martha: Is a micro agro-processor based in Embakasi, Nairobi Kenya and processes sugarcane juices.

Farm-Pro Limited: An agro-company based in Nakuru County, Kenya.

Ministry of Agriculture, Livestock and Fishers,

State Department of Agriculture: The Ministry is responsible for formulating and implementing agricultural policies.

Ministry of Environment and Natural Resources: The Ministry is responsible for formulating environment and climate change policies.

Rural Outreach Africa (ROA): ROA is a non-governmental organizations working on development issues including agriculture in Kenya. Currently, they are working with farmers and agribusinesses in Western Kenya to promote agro-processing through capacity building programs.

Actions Mentioned in the NDC that are likely to Impact Agro-processing

Kenya’s Nationally Determined Contribution (NDC) aims at slowing the pace of climate change through significant reduction in



greenhouse gas (GHG) emissions. The NDC outlines several climate change mitigation and adaptation actions that are likely to have direct impact on agro-processing in different ways. To begin with, climate smart agriculture (CSA) will be adopted to improve the resilience of the agricultural sector to the effects of climate change. CSA is expected to improve agricultural production, which in turn will ensure steady supply of raw materials for the agro-processing sector. The NDC also prioritizes development of renewable energy sources such as geothermal, solar, and wind to reduce GHG emissions. This may positively affect agro-processing by facilitating access to reliable and affordable energy services. Additionally, increased uptake of renewable energy will mitigate environmental degradation, thereby promoting sustainable farming and agro-processing. However, agro-processing may be negatively affected through the cost channel if renewable energy services are unaffordable.

The tree cover will also be increased to at least 10 per cent of Kenya's land area to mitigate climate change since trees are carbon sinks. Although this strategy is likely to mitigate climate change, it may also increase competition for arable land. Limited land availability can reduce agricultural production, thereby reducing access to raw materials for agro-processing. Research and development (R&D) has also been identified in the NDC as a strategy for facilitating access to technologies that promote climate aware development. This includes climate proofing energy, transport, buildings, and information and communication (ICT) infrastructure. The agro-processing sector is expected to benefit from climate smart technologies that enhance productivity in the agricultural sector, reduce production costs, and enhance access to markets. Finally, raising awareness through training/ capacity building programs on climate change has been incorporated in the NDC as an adaptation strategy. Raising awareness will equip farmers, processors, and other value chain actors with

the knowledge and skills required to promote sustainable agro-processing.

Kenya's NDC and the Agro-Industry

The policymakers interviewed in the Ministry of Environment and Ministry of Agriculture considered the NDC a good outcome for Kenya's agro-processing industry. This is based on the fact that the NDC is anchored on Kenya's National Climate Change Action Plan (NCCAP) which was developed to operationalize the National Climate Change Response Strategy (NCCRS). The objective of the NCCAP is to facilitate adaptation and mitigation of climate change through among other strategies, promoting uptake of renewable energy, enhancing energy efficiency, afforestation, draught management, and climate smart agriculture. These strategies are expected to promote agro-processing through improved agricultural production. Further, anchoring the NDC on the NCCAP facilitates mainstreaming of climate change in agro-processing related policies. The National Trade Policy and the National Energy and Petroleum Policy are examples of policies that have already incorporated strategies for mitigating climate change.

Agro-processors also considered the NDC a good outcome for Kenya's agro-industry. They identified climate change as a major stabling block to growth of their businesses. Thus, the NDC is a good outcome since its main objective is to ensure a reduction in the pace of climate change. Mitigation of climate change will protect ecosystems, enhance biodiversity, and improve resilience of infrastructure to extreme weather and climate events. This will lead to sustainable growth of Kenya's agro-industry.

Impact of Kenya's NDC on Agri-businesses/ Agro-processors

Implementation of the NDC is expected to impact agri-businesses in different ways. For instance, Truefoods expect implementation of the NDC to enhance production and access to agricultural raw materials through reduction in environmental degradation and climate change. Climate change is associated with prevalence of pests and diseases that reduce crop yields. Thus, mitigating it may lead to high crop yields, which in turn will facilitate adequate and reliable supply of quality raw materials. As a result, production of high quality agro-processed products that are capable of competing effectively in the domestic and international markets will be possible. The cost of production is also expected to reduce as the government promotes access to renewable energy services. Low production costs will improve profitability of agribusinesses and competitiveness of agro-processed products.

Farmpro and Martha also expect implementation of the NDC to affect their businesses positively. The positive effect is expected to be realized through reduction in postharvest losses attributed to climate change. Disruption of access to factor and product markets is also likely to reduce as the government develops climate proof transport and communication infrastructure. These perspectives were reiterated by the key informant from Rural Outreach Africa who stated that agri-businesses are likely to realize improved earnings due to implementation of the NDC. In particular, sustainable agricultural production and agro-processing is likely to improve earnings among farmers and agro-processors. This will provide the impetus for scaling up agricultural value chains and expansion of agribusinesses. Further, provision of technical support and capacity building under the NDC will benefit small-scale agribusinesses

that lack the resources to mitigate or adapt to climate change.

How the NDC can Boost Agri-businesses and Offer Trade Opportunities

The NDC can boost agri-businesses and offer trade opportunities in different ways. The interviewed agro-processors stated that their businesses would grow significantly if they and their suppliers (farmers) were trained on strategies for adapting to climate change. As weather patterns become increasingly unreliable, agri-businesses need effective strategies to plan their production in order to avoid losses. This can be achieved if the training and capacity building opportunities available under the NDC are accessible, especially among micro and small agribusinesses such as Farmpro.

Trade opportunities will increase if implementation of the NDC facilitates production of high value crops for the export market. For instance, the type and quantity of products produced by processors such as Truefoods depend on availability of the crops that they use as ingredients for manufacturing various food products. This means that opportunities for trading in a variety of products can be realized if mitigation of climate change through the NDC facilitates production of a wide range of crops. In this regard, stakeholders in the agribusiness sub-sector should be consulted regularly for their needs to be taken into account in the implementation of the NDC. Creating an enabling environment to support climate aware investment was also identified as a way through which the NDC can boost agribusinesses. An environment that is conducive to investment in green technologies will increase the productivity and sustainability of agribusinesses or agro-processors. This includes provision of incentives that promote acquisition of energy efficient machines,

irrigation equipment, and renewable energy products.

Revising Kenya's NDC to make it more Beneficial to Agro-processing

Although the NDC has identified several measures to curb climate change, it can still be improved to promote agro-processing. First, the NDC should identify strategies for facilitating access to financial support mechanisms that are available under the Paris Agreement. This is based on the fact that lack of financial resources is one of the major factors that limit agro-processors' ability to adopt or implement mitigation and adaptation strategies. Provision of adequate information about available financial support and how it can be accessed should be part of the awareness creation programs implemented under the NDC. Second, implementing the NDC will require significant financial resources. Given the inadequacy of government and donor funding, innovative funding alternatives such as public private partnerships should be explored to ensure access to the resources needed to implement the NDC and improve agro-processing.

Third, the NDC should facilitate marketing of green products. Currently, agro-processors are struggling to obtain certification for their products in order to access local and foreign markets. Provision of incentives that promote trade in green products such as simplified certification systems will boost agro-processing. Finally, the NDC should facilitate access to appropriate technologies to ensure climate aware agro-processing. Although the NDC recognizes the importance of supporting innovation to produce climate aware technologies, available technologies may not be used if they are too expensive or complex to agro-processors. This means that affordability should be taken into account in provisions/

measures meant to enhance access to technologies that agro-processors need to improve their resilience to climate change.

Adopting New Ways of Production/ Trading

The interviewed agro-processors are ready to adopt new ways of production and trading that are more climate aware to ensure sustainability of their businesses. The interviewed policymakers also stated that most Kenyan agribusinesses are receptive to new ways of trading and production that are climate aware. The main challenge to adoption of new ways of trading or production is financial constraints. Most micro and small-scale agro-processors lack adequate financial resources to invest in new production and trading technologies that would minimize their ecological footprint. For instance, purchasing irrigation or solar equipment involves significant initial investment that may strain available financial resources at firm level, especially in small-scale agribusinesses. Additionally, limited access to technical support prevents adoption of new production and trading techniques. For instance, the shortage of trained agricultural extension officers and limited capacity of government industrial training institutions have forced farmers and agro-processors to acquire knowledge, skills, and information from private institutions that often charge high fees.

The opportunities associated with adopting climate aware production and trading techniques include increased productivity and reduction in production costs. For instance, adoption of renewable energy such as solar is expected to reduce the cost of production since solar is relatively cheaper than petroleum. Moreover, agro-processors who adopt production and trading methods that mitigate climate change are expected to enjoy improved access to markets for green products.

Recommendations to the UNFCCC Negotiators

The UNFCCC negotiators should negotiate for implementation of further measures by developed countries to reduce their greenhouse gas emissions since they are the main emitters. A reduction in emission by developed countries means that there will be less need for implementation of adaptation strategies in developing countries. As a result, the resource requirement for implementing the NDC in Kenya and other developing countries will significantly reduce. Additionally, the negotiators should negotiate for restructuring of

the financial and technical support programs that are available to developing countries. This is based on the fact that access to the available support mechanisms remains difficult, especially to vulnerable groups such as small-scale agro-processors. Further, developing countries should commit to making regular contributions to the funds established to benefit developing countries. This will facilitate effective implementation of the NDC. Overall, the main measure that should be prioritized is reduction in emission in the developed world since it will greatly minimize climate change at the global level.



CUTS International, Geneva

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