

OUR SYSTEMS PRACTICE JOURNEY

EAST AFRICA MARKETS CONSULTANTS

March 2021

NAIROBI, KENYA

Our Team

The East Africa Markets consultants is constituted of select personnel from The East Africa Market Development Associates (EAMDA). EAMDA is a limited liability company domiciled in Kenya as a consulting and development project implementation firm with coverage across the Eastern Africa region. Founded in 2013, the firm undertakes both short and long-term project design and implementation engagements with expertise in agricultural economics, livestock production and trade; horticulture and crop production systems, agro-enterprise development, business development service provision, project design and management, among others. Below is a pictorial of our team and our respective roles.



FRED OGANA
Managing Partner



ANTHONY OKUKU
Communications
Manager



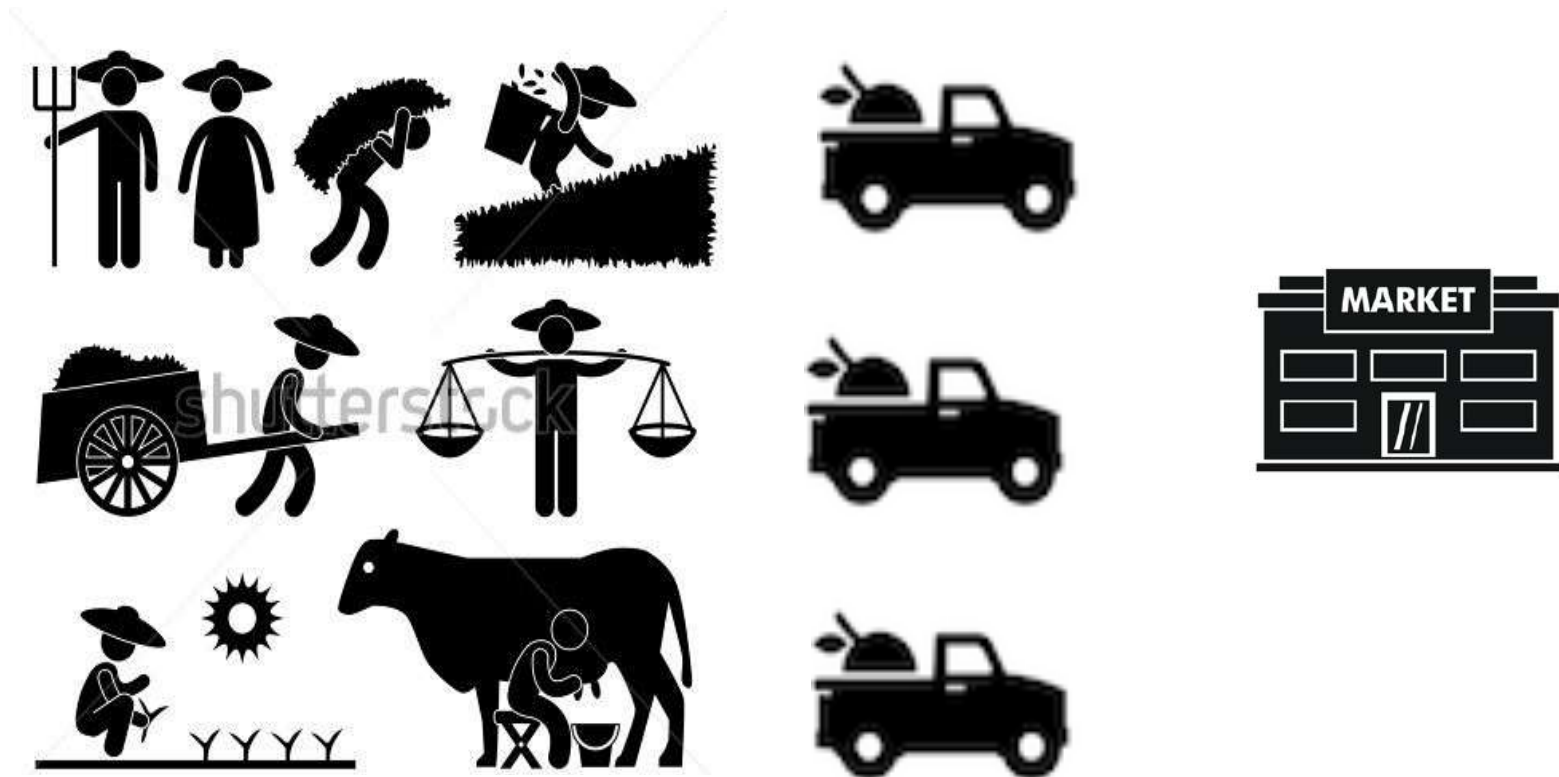
KAREN ASINZA
Senior Business Advisor



SUBIRA MUKAMI
Associate

OUR SYSTEMS CHALLENGE

- The systems challenge we hope to tackle is: Shallow agricultural markets in Kenya
- Because: Kenya has had numerous interventions aimed at putting in place effective agricultural markets in the country. Smallholder farmers however remain poor with limited sustained access to profitable markets and agricultural trade registering dismal volumes and value gains in a limited range of agricultural products.



OUR NEAR STAR and GUIDING STAR

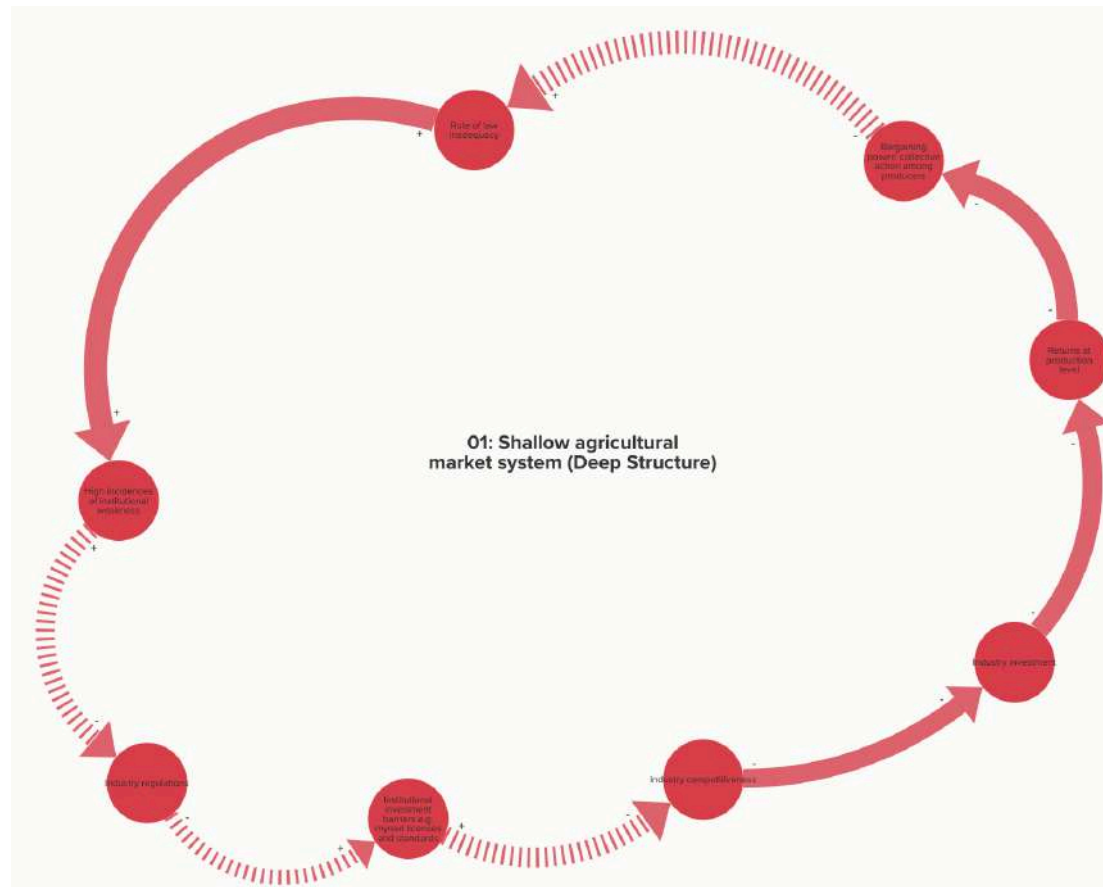


GUIDING STAR: A robust agricultural market system that produces sufficient, affordable and nutritious food for ALL Kenyans as well as competitively generates profits for all market actors and significant agricultural GDP per capita.

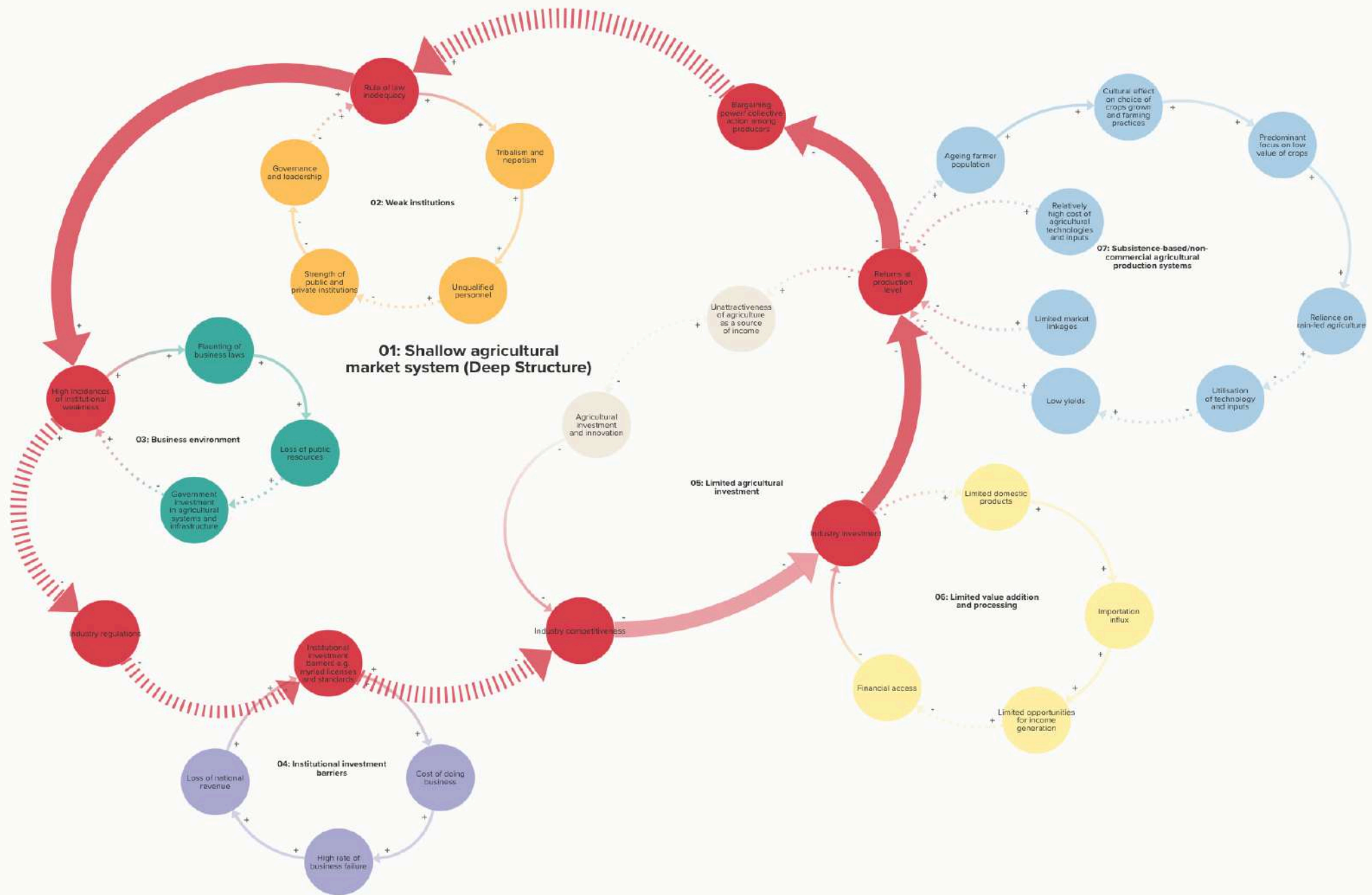
NEAR STAR: A predominantly commercial-oriented and profitable agricultural market system where all Kenyans have access to and consume diets consisting of the recommended nutrition diversity and register a 25 percent growth in agricultural GDP per capita over the next 10 years.

OUR DEEP STRUCTURE

Kenya's agricultural market system sector is characterized by rampant corruption that breeds rule of law inadequacy and high incidences of institutional weakness. This results in unfavorable industry regulations that intensify institutional investment barriers which consequently diminishes industry competitiveness thus hindering industry investment. As a result, agriculture presents low returns at production level thereby perpetually entrenching non-commercial production systems. This reduces bargaining power at production level and exacerbates the inadequacy of the agricultural market system's rule of law.

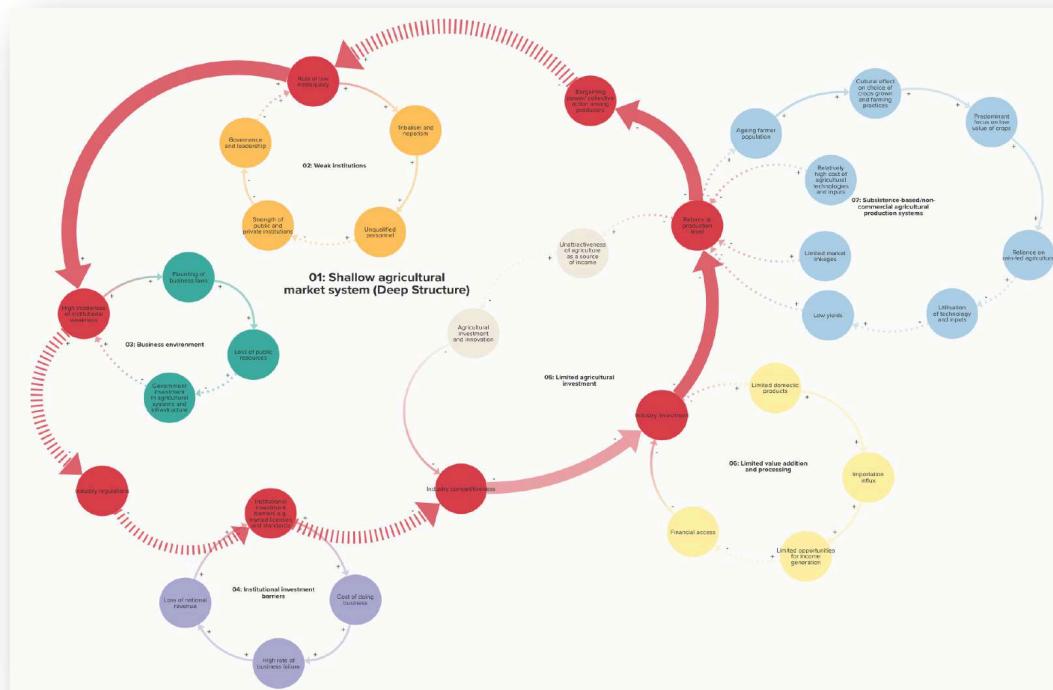


OUR SYSTEM MAP



OUR INSIGHTS FROM STAKEHOLDERS

- It was recommended that the team reduces wordiness to make the map's communication more direct such as the use of nouns to name variables and use of arrows and signs (+ve or -ve) to convey action. The team however did not make significant changes given the sentiments that the elaborate loop labelling enhances understanding of the system factors.
- The system map enhances comprehension of complex system forces and elements, though the team was reminded that the system is dynamic and thus the system mapping process is never complete.
- Loop 5 on limited agricultural investment was changed from stagnating to a vicious loop based on stakeholder feedback



OUR INITIAL SYSTEM STRATEGY

Our Story

The system map has revealed that several key loops are frozen as a consequence of long-term dependency on smallholder production systems in Kenya. This farming practice does not support commercially sustainable agricultural activities and often requires the intervention of governments and donors through subsidies. E.g. (Ref. Loop 7).

Although Loop 6 (Value addition and processing) has been identified as having pent-up energy, the team has observed that there is need to introduce an additional loop that delves into resolving the sustainable commercial production issue. This is informed by the fact that processing alone may not adequately resolve the competitiveness question owing to high production costs at farm and aggregation levels.

Strategy

It is proposed that a key strategy to arrive at our Near Star (A predominately commercially and profitable agricultural market system with potential to register a 25% growth in Agricultural GDP per-capita over the next 10 years) is the active engagement/involvement of medium and large-scale farmers. This has the potential to enhance competitiveness and economies of scale (reduced cost of raw material/commodities for processing).

Impact

The overdependence on small-holder production systems will be weakened by a shift to medium and large-scale farming.

Ripple effects in the medium term might contribute to :

- Increased production of high value crops
- Increased crop yields per acre/production unit
- Reduced costs of commodities for consumption and or onward processing
- Increased processing and associated revenue generation
- Increased availability of affordable food
- Import substitution

Team capacity to deliver and engage stakeholder

- I. Design a largescale farming system model for piloting.
- II. Socialize the model among social-impact and venture capital firms.
- III. Promote the adoption of modern processing technologies

OUR SYSTEMS PRACTICE MOVING FORWARD

Changes in problem solving approach

We have begun to assess and remodel our implementation approaches for both short-term and long-term engagements. The organization has formally adopted system thinking as one of its core approaches in business and industry evaluations, design and project implementation.