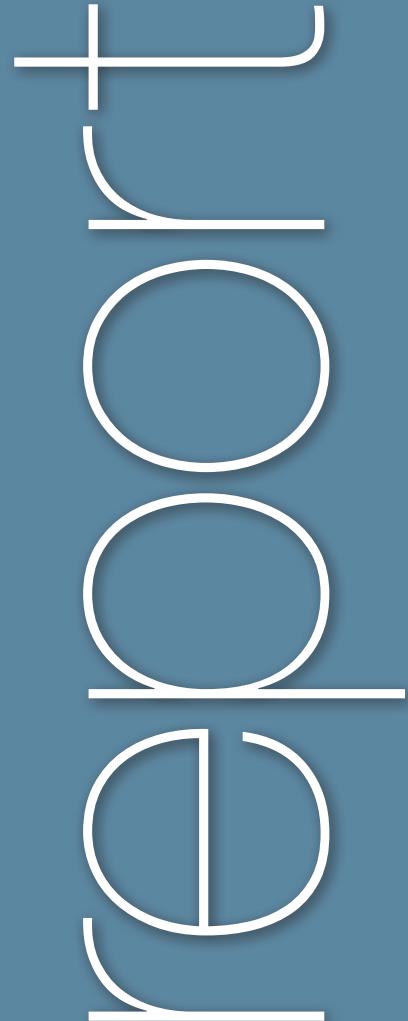


The Value Initiative
Advancing urban value chain development to help millions of people work their way out of poverty.

Reaching Very Vulnerable Populations Using Value Chain Development -The Value Initiative Program in Kenya

AUTHORS

Stanley Kulei, Jan Maes



MAY 2012

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Reaching Very Vulnerable Populations Using Value Chain Development

The Value Initiative Program in Kenya

AUTHORS

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About The SEEP Network

The SEEP Network is a nonprofit network of over 130 international organizations that believe in the power of enterprise to reduce global poverty. SEEP members connect in a global learning community to increase their impact in over 170 countries, where they collectively serve over 89 million micro-entrepreneurs and their families. Through SEEP's learning initiatives, microenterprise development practitioners co-create and exchange strategies, standards, and tools for building healthy economies with a sustainable income in every household.

www.seepnetwork.org

About The Value Initiative

From 2008 to 2011, with support from the Bill and Melinda Gates Foundation, the SEEP Network's Value Initiative advanced the knowledge and practice of urban value chain development to stimulate sustainable, large-scale, and poverty reducing economic growth, with a special focus on vulnerable populations. The \$6.5 million Value Initiative has two core Practitioner Learning Programs (PLPs):

Urban Value Chain Development

Although value chain development represents an innovative and systematic approach to address poverty, best practices for urban settings have yet to be well defined and broadly disseminated. In response to this need, the Value Initiative provided technical assistance with 3-year grants to four demonstration programs in Kenya, India, Indonesia and Jamaica. The SEEP Network facilitated capacity building, peer learning, and supported knowledge management process and research to advance and build the industry capacity in urban value chain development. The four Value Initiative Programs (VIPs) were implemented with the following partners:

Program Name	Lead Organization	Partner Organizations	Sub Sector	Location
VIP India	ACCESS Development Services	<ul style="list-style-type: none">Jan Kalyan Sahitya Manch Sansthan (JKSMS)Rajasthan Abhyudaya Sansthan (RAS)Jaipur Jewelers Association	Jewelry	Jaipur, India
VIP Kenya	Academic Model Providing Access to Healthcare (AMPATH)	<ul style="list-style-type: none">Export Promotion Council (EPC)Fintrac	Passion Fruit	Eldoret, Kenya
VIP Jamaica	Jamaica Exporters' Association	<ul style="list-style-type: none">The Competitiveness CompanyArea Youth Foundation	Ornamental Fish	Kingston, Jamaica
VIP Indonesia	Mercy Corps Indonesia	<ul style="list-style-type: none">SwissContactPUPUK	Tofu & Tempeh	Jakarta, Indonesia

Business Planning for Sustainability and Scale-Up

The Value Initiative partnered with five organizations to foster learning on innovative business models for sustainable, larger-scale enterprise development that reaches a wider target group of marginalized communities:

- Entrepreneurship and Community Development Institute (Pakistan);
- Fair Trade Forum (India);
- LabourNet (India);
- SDC Asia (Philippines);
- KeBal / Mercy Corps (Indonesia).

For more information about the Value Initiative, including tools, additional learning products, photos and videos, please visit www.seepnetwork.org or contact Yibin Chu, Program Manager of Enterprise Development Community of Practice at chu@seepnetwork.org.

Acknowledgements

The SEEP Network would like to thank the Value Initiative Program colleagues at AMPATH, with special thanks to Naomi Lundman and Benjamin Andama for their important contributions to the design and implementation of the program described in this case study. Also greatly indebted to Sonali Chowdhary and Malini Tolat, who took time out of their busy schedules to review drafts and provide helpful suggestions for improvements.

Abbreviations and Acronyms

AIDS	Acquired Immuno-Deficiency Virus
AMPATH	Academic Model Providing Access to Healthcare
CHW	Community Health Worker
EPC	Export Promotion Council
FGD	Focus Group Discussion
FPI	Family Preservation Initiative
GOK	Government of Kenya
HIV	Human Immunodeficiency Virus
IGA	Income Generating Activities
MFI	Microfinance Institution
NES	National Export Strategy
PSDS	Private Sector Development Strategy
SES	Socio Economic Status
VIP	Value Initiative Program
VP	Vulnerable Populations
VSL	Village Saving and Loan

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Executive Summary

SEEP's Value Initiative Program in Kenya (VIP Kenya) supported AMPATH, a holistic healthcare provider with a strong focus on HIV-positive persons in Kenya's Westerns and Rift Valley provinces, to create increased income opportunities for HIV/AIDS affected vulnerable households. The overarching goal of this demonstration project focused on facilitating interventions to address market constraints along the passion fruit value chain in this area, but the specific focus of this case study is about AMPATH's economic strengthening approach with its most vulnerable, food insecure HIV+ patients. These are only a segment of the overall target group reached by VIP Kenya, and consist of predominantly single mothers, with minimal education, without social support, and without sufficient income to meet minimum nutrition requirements. At the time of the program, AMPATH was already supporting these households through healthcare, psychosocial support groups, access to legal counsel and other related services. In addition, these highly food insecure households receive a monthly food prescription from AMPATH.

To prepare them for a life without dependence on routine food support and taking into account their lack of viable income opportunities, the program envisioned a strategy of first increasing their (cash and food) income to meet daily survival needs, and once more secure, to help them integrate into more profitable and growing value chains, especially passion fruit growing and processing.

While some urban households received training and inputs to generate income from micro-processing of fruit or vegetables into salads and/or juice, the majority living in rural and peri-urban areas started out by growing African leafy vegetables (ALVs) on a small-scale. Given VIP Kenya's wider efforts on strengthening the passion fruit value chain in Western Kenya, there was much interest in trying to link many of the most vulnerable households into that value chain eventually as well.

AMPATH's Family Preservation Initiative (FPI) was established in 2003 as an income generation program in close coordination with AMPATH's social and healthcare assistance services. The goal of the FPI is to provide avenues for poor HIV infected and affected households to achieve sustainable economic security, by increasing their skills, knowledge, productivity and overall quality of life. But until the start of VIP Kenya, FPI's ability to provide income opportunities was limited to employing patients in a number of social enterprises including a handicraft workshop, a restaurant, a fruit processing facility and a fruit tree seedling nursery.

While the overall VIP Kenya projected targeted more than 7,000 HIV/AIDS affected households for participating in expanding the passion fruit value chain, an additional 1,066 very vulnerable AMPATH clients participated in a carefully sequenced approach intended to help them transition from food aid dependency to increased economic self-reliance. This sequenced graduation model starts from AMPATH's already existing health and food assistance to participation in community savings groups, and introduction of easy-to-grow, nutritious crops such as African leafy vegetables (ALV), and ultimately moving towards higher-value income activities such as passion fruit, livestock and other activities.

Clients enrolled in AMPATH's food assistance program were qualified to participate if they owned at least a small plot of land (one tenth of an acre) and had access to water for irrigation of ALVs. Prospective participants also had to agree that they would enroll in small savings and loan groups, called Group Integrated Savings for Empowerment

(GISE). Soon after they formed these groups, clients were introduced to ALV growing: they received a start-up package with a mixture of ALV seeds, technical assistance and training on kitchen and sack gardens. Sack gardens reduce the amount of land, water and fertilizer needed and are especially helpful for PLWHAs because they require less labor to cultivate, weed and harvest. ALVs are easy to grow, require little investment, and their growth cycle is short, and there is consistent demand for them. As they became more proficient at growing ALVs, clients start using the harvest for home consumption and often generate extra cash income through the sale of any surplus vegetables, gradually allowing them to become less dependent on food prescriptions.

After about one year into the program (in October 2011), 67% (717 out of a total of 1,066 clients) were still growing ALVs. Of those, one third (244) did not have to receive food support anymore, as they were harvesting their crops and using the produce for home consumption. Seventy percent of these had also sold surplus production on the market. But not all succeeded, owing partially to the time involved in behavior change and capacity building in production and marketing. Many of those who did not stay active in ALV growing were impacted by drought and/or were not capable to continue growing vegetables, sometimes because they were too weak, did not learn the skills properly, or did not manage to secure basic inputs like water and fertilizer.

After one year, fifteen ALV farmers had ‘graduated’ to various higher-level activities including poultry keeping, passion fruit farming and livestock rearing. Very few households were able to move into passion fruit farming, which requires a bigger plot of land (at least 0.25 acres to be profitable) and higher investments in fertilizer, tree stock and improved irrigation, that they were unable to afford with the savings they had accumulated so far.

Even though the obstacles to passion fruit farming proved too high for most vulnerable households, AMPATH’s carefully sequenced approach shows significant potential for helping very vulnerable PLWHAs take the first step out of extreme poverty towards increased economic self-reliance. After one year as a member of savings and loan group and through growing of ALVs, many participants were able to produce some of their own food and even sell part of their produce for cash, enabling them to wean off food security and save regularly. Survey data collected on 82 participants indicate an increase in net income of 187% on average per household, from 5,772 KES (USD 72) to 16,540 KES (USD 207) per year. This compares to an increase of 87% in net income per household for the control group (n=12), from 4,833 KES (USD 60) to 9,025 KES (USD 113).

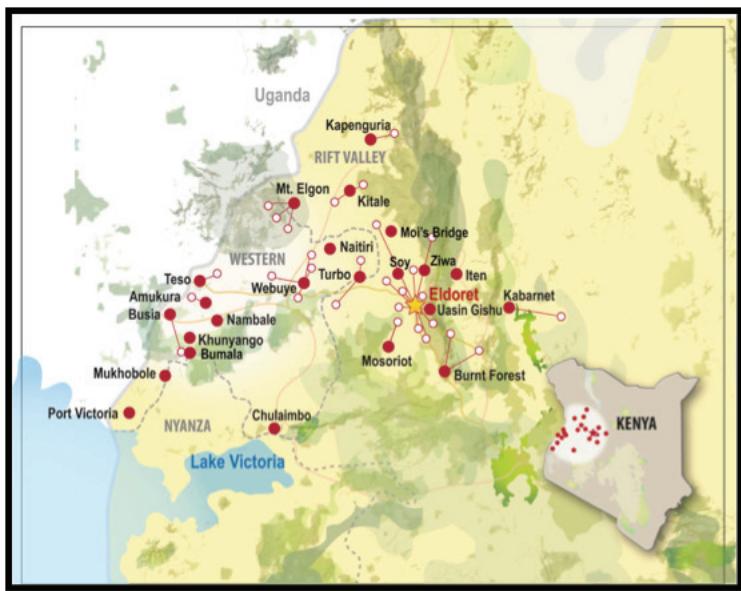
Having seen the positive impact of participation in GISE groups to encourage regular savings possible through modest income increases from ALV farming, AMPATH has opted for replicating the GISE program across the Western region of Kenya providing more savings avenues in rural communities, and expecting members to gradually increase their savings and move into increasingly profitable income activities that are in better reach for most than passion fruit production.

The project has been successful in providing some critical changes that have made these initially very vulnerable people significantly less vulnerable. In addition to continuing the already existing social, nutritional and health services provided by AMPATH, the savings groups are enabling members to save and take loans, allowing them to smooth income and to invest in or expand small income activities. Moreover, through growing ALVs, many participants have been able to consume more and healthier food, as well as earn cash from surplus production.

Introduction

This case study describes the experience of the SEEP funded Value Initiative Program in Kenya (VIP Kenya) aimed at facilitating interventions to address constraints and market issues that create obstacles for growth and investment in the passion fruit value chain in the Western region of Kenya. The driving force behind this initiative is AMPATH¹, a holistic healthcare provider with a strong focus on HIV-positive persons, which partnered with Kenya Export Promotion Council (EPC) and SEEP to create increased income opportunities for HIV/AIDS affected, vulnerable households in Kenya's Westerns and Rift Valley provinces. This area, known as Kenya's bread basket, has a population of 2.5 million with 6.3 percent of the population living with HIV/AIDS, and 41 percent living in food poverty², which is defined as inability to meet the minimum level of dietary requirement (under-nutrition).

Figure 1. AMPATH Catchment Area



Food poverty is especially prevalent among HIV/AIDS affected households, and VIP Kenya is meant to boost these households' access to food in sufficient quantity and quality through increased agricultural productivity by the households involved. VIP Kenya's target population consists of households within a range of vulnerability levels, but this case study focuses specifically on AMPATH's most vulnerable, food insecure HIV+ patients, representing 55 percent of the overall VIP target. They consist of predominantly single mothers, with minimal education, without social support, and without sufficient income to meet minimum nutrition requirements. While the overarching goal of this demonstration project focused on facilitating interventions to address market constraints along the passion fruit value chain, VIP Kenya's biggest challenge was to boost the income of this most vulnerable target group.

1 AMPATH is a comprehensive healthcare program implemented by a partnership of several universities and academic healthcare centers (Moi University, Moi Teaching and Referral Hospital and a consortium of North American academic health centers led by Indiana University) and Government of Kenya.

2 USAID HIV/AIDS Health Profile pg 2, 2011.

3 <http://www.ke.undp.org/index.php/mdgs/goal-1-eradicate-extreme-poverty-and-hunger>. Food poverty defined as living below the minimum 2,250 calories required per day per adult-equivalent.

AMPATH's Progression from Medical Assistance to Comprehensive Social Services

When it was established in 2001, AMPATH focused primarily on direct provision of health services, access to anti-retroviral drugs and nutritional assistance for people living with HIV/AIDS (PLWHA). Currently AMPATH treats over 130,000 HIV-positive persons, with almost 2,000 new patients being enrolled each month at 60 urban and rural clinic sites throughout western Kenya. In addition, AMPATH has reached over half a million persons through a home-based counseling and testing program that enjoys a 98+% rate of acceptance by the households visited, and has reduced the occurrence of mother-to-child transmission of HIV/AIDS to less than 3%. Through prevention and early treatment programs like these, AMPATH has demonstrated a community-based effort that can virtually halt the spread of HIV/AIDS.

But in AMPATH's definition of healthcare the focus is on the patient, not the disease. In addition to poor health, AMPATH clients face other challenges, including HIV+ related stigma and discrimination, isolation and abandonment by family and community. Women face oppression and inequality within family and society as a whole. Given these challenges, in recent years the program has started to offer a variety of social services to address the livelihood security challenges clients face in relation to nutrition as well as social and legal issues. Clients participate in psycho-social support groups to encourage and support each other. And a legal aid clinic works with low income AMPATH clients by providing advocacy, legal counsel and other related services.

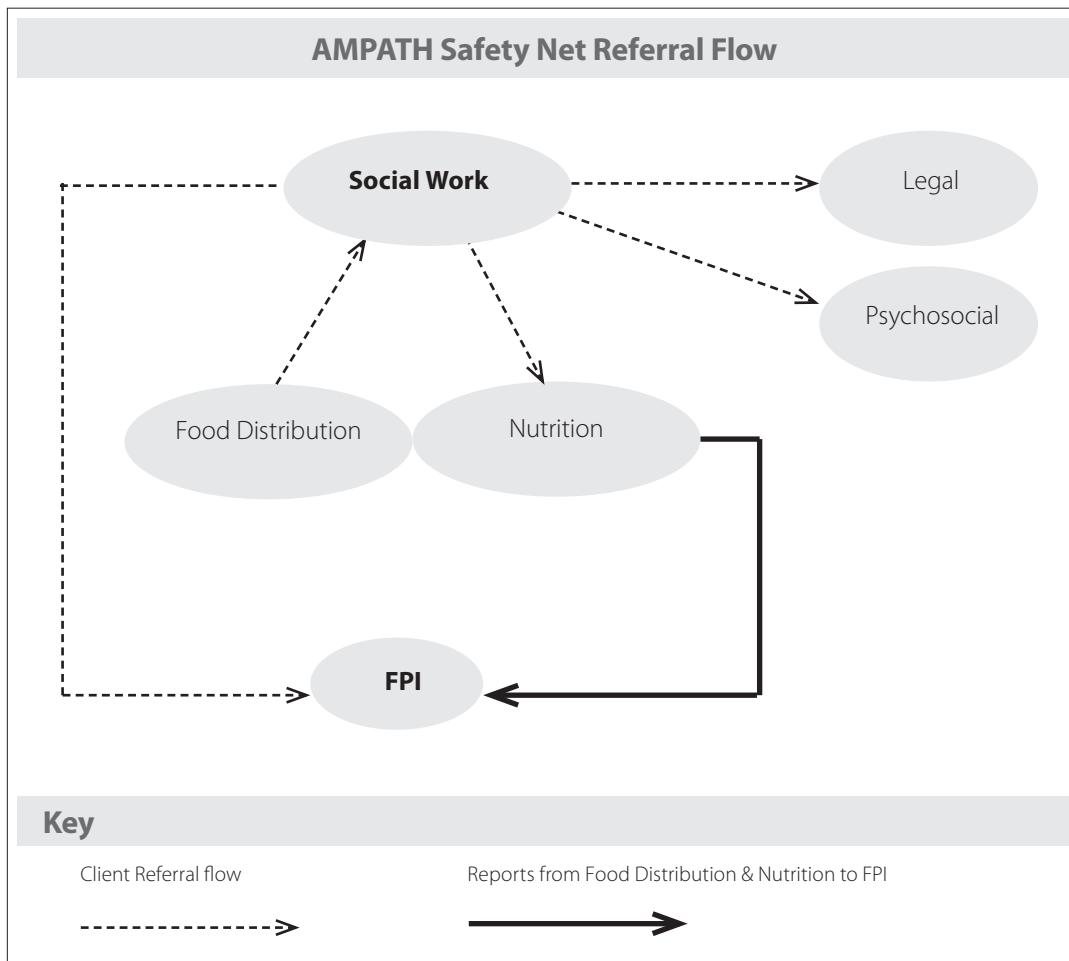
The most vulnerable and food insecure clients receive food support as well through a partnership with the UN World Food Program, which provides food to 31,000 HIV-affected persons daily, as well as school fees, nutrition, and other assistance to 20,000 children left orphaned or vulnerable due to HIV/AIDS. Clients are assessed and if they experience severe nutrition deficiency meeting set criteria, they receive a monthly food prescription of cereals and vegetables. Most of these clients are female single head of households, without education and without a stable source of income. After registering as AMPATH clients, their health and nutrition condition starts to improve, and they find hope and social support from other clients. And while stigma is still present, some gain courage and are open about their status, and even become leaders within their communities.

The Family Preservation Initiative (FPI)

The Family Preservation Initiative (FPI) was established in 2003 as an income generation program in close coordination with AMPATH's social assistance described above. The goal of the FPI is to provide avenues for poor HIV infected and affected households to achieve sustainable economic security, by increasing their skills, knowledge, productivity and overall quality of life. Initially FPI focused on business and agricultural training courses, access to loans and savings for AMPATH clients and it established a number of social enterprises employing a (limited) number of clients, including a handicraft workshop, a restaurant, a fruit processing facility and a fruit tree seedling nursery.

Social service program officers do a general socio-economic assessment from which they refer clients to the income security program. The below visual describes the client referral process within AMPATH. So far, more than 10,000 patients have been enrolled in income security programs, including agricultural extension services, micro-finance and small business initiatives. 62.8 percent of these patients have been linked to new income opportunities through VIP Kenya and described in detail further in this paper.

Figure 2. AMPATH's Client Referral Process to the Family Preservation Program (FPI)



Passion Fruit Value Chain

Passion fruit is a high-value crop that grows well in this region of Kenya. Demand for it is high—and rising—in local, national, and international markets. Passion fruit production requires relatively small plots of land (even 0.25 acres can yield significant income for smallholders), carries relatively low risk and the market potential is high. In late 2003 a consortium consisting of the Kenyan Export Promotion Council (EPC), Kenya Agricultural Research Institute (KARI), and US-based Fintrac started value chain development interventions to strengthen the passion fruit sector. Initial activities focused primarily on product improvement by addressing two key constraints to smallholder production: production technology and farmer knowledge. To this end, Fintrac cooperated with KARI on training and plant production and targeted various small businesses in Eldoret, including input suppliers, nursery owners, traders and lead farmers to strengthen the value chain, using embedded services to provide technical assistance to farmers, financial services, as well as input and equipment packages.

Value Initiative Program Kenya

Through VIP Kenya, AMPATH found an opportunity to further explore economic strengthening strategies for the PLWHAs it serves all over Western Kenya by facilitating access to growing value chains, especially passion fruit, building on the work that was already initiated by the EPC and Fintrac. The goal of VIP Kenya was to respond to the high unmet demand for passion fruit in export, regional and local markets by increasing volume, quality, and marketing efficiencies and expanding market benefits to excluded poor and HIV impacted populations. While this intervention was believed to provide new livelihood opportunities for PLWHAs in general, the expectation was that a growing passion fruit value chain would also open higher-income opportunities for the most vulnerable AMPATH clients as well, if their households could be moved to a state of reduced vulnerability first. The overall project targeted more than 7,000 microenterprise owners and workers living in HIV impacted communities, but this case study focuses on the strategy and additional measures taken to include 1,066 very vulnerable AMPATH clients to help them move from food aid toward economic self-reliance.

Overall, VIP Kenya trained (directly and indirectly) 1,960 lead farmers through a tiered training structure. An impact assessment showed increased participation by microenterprises, improved net incomes by farmers of up to 70 percent and improved agronomic practices, quality inputs and market linkages in the communities. There is also evidence of a shift from other broad farming activities (such as maize and wheat farming) to the more lucrative passion fruit farming as a main source of income. Compared to baseline data, for every additional 0.25 acre of land cultivated, an additional of 109 kg of passion fruit were harvested at the time of the follow-up survey. Cases of copying and crowding in the communities were observed as well. Further qualitative research revealed that 16 community level service providers (lead farmers, nursery operators and traders) have adopted improved agronomic practices and quality inputs and will continue to put it into practice because they have realized increased volumes and quality of fruits and growth of their business. Existing farmers with assets saw an opportunity in passion fruit growing and eventually proved willing to pay for technical assistance due to the anticipated high return on this investment.

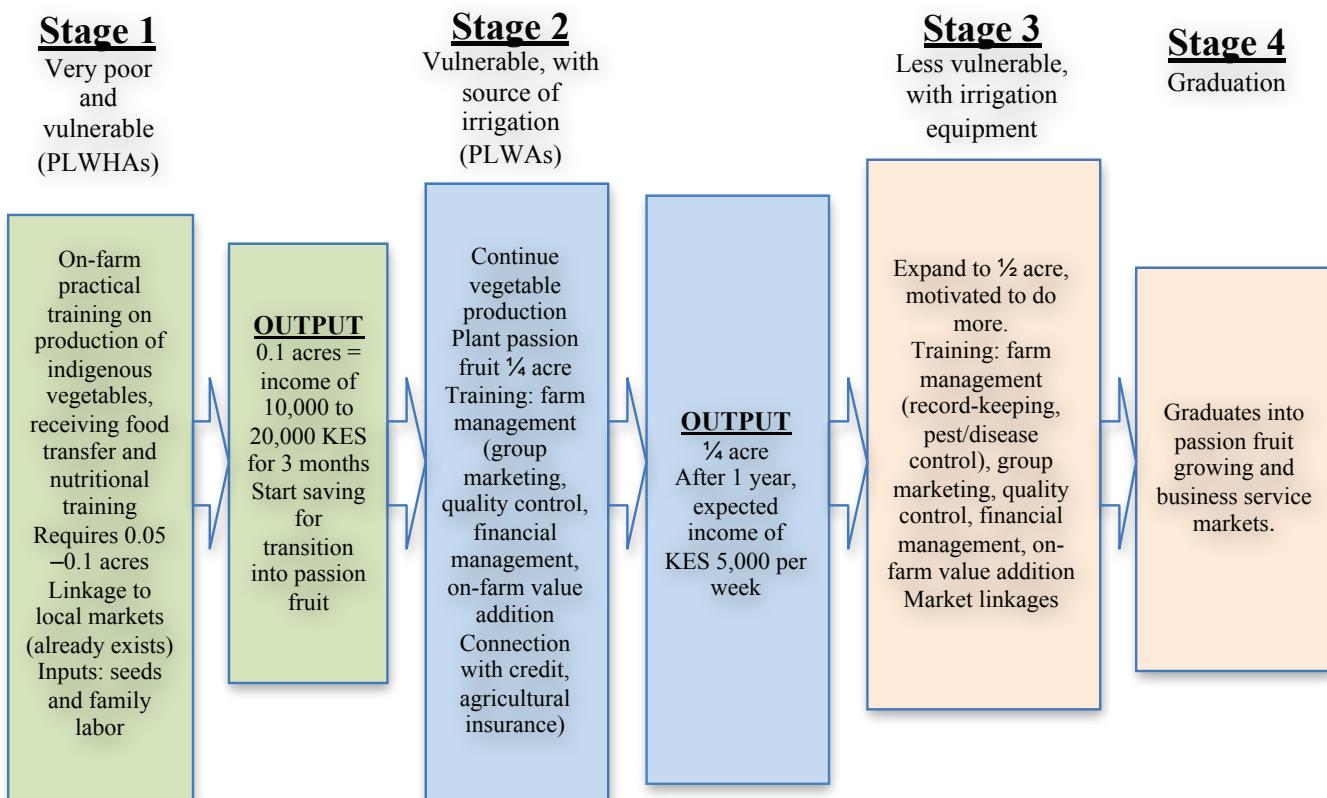
Reaching the Most Vulnerable Households

In addition to 7,000 households reached through passion fruit value chain activities described above, VIP Kenya assisted 1,066 very vulnerable AMPATH clients with the goal of moving them from food aid toward increased economic self-reliance. To prepare them for a life without dependence on routine food support and taking into account their lack of viable income opportunities, the program envisioned a strategy of first increasing their (cash and food) income to meet daily survival needs, and once more secure, to help them integrate into more profitable and growing value chains.

In order to allow the most vulnerable clients to access higher income value chains, VIP Kenya and AMPATH developed a sequenced graduation model starting from (AMPATH's) health and food assistance followed by participation in community savings groups, introduction of easy-to-grow, nutritious crops such as African leafy vegetables (ALV), maize and beans, and ultimately moving into higher-value crops such as passion fruit, livestock and other activities.

Figure 3 shows the main steps of this sequenced graduation from food dependence to economic self-reliance

Figure 3. Envisioned Graduation to Passion Fruit for Very Vulnerable Households



Given VIP Kenya's wider efforts on strengthening the passion fruit value chain in Western Kenya, there was much interest in trying to link many of these very vulnerable households into that value chain eventually as well. Both in rural and peri-urban areas, clients started out by growing African leafy vegetables (ALVs) on a small scale, with the intention to graduate to more complex and higher income generating activities, such as passion fruit farming, poultry rearing or livestock (cattle, goats and sheep) management.

Clients enrolled in AMPATH's food assistance program were qualified to participate if they owned at least a small plot of land (one tenth of an acre) and had access to water for irrigation of the ALVs. They used cheap irrigation methods, including used metal and plastic containers to water their vegetable plots. Prospective participants also had to agree that they would enroll in small savings and loan groups.

To facilitate savings, AMPATH introduced savings groups, called Group Integrated Savings for Empowerment (GISE). Each group consists of 20 members who live in the same community. Savings group participants select each other within their communities to form groups that foster mutual trust. About 80% of the members of these groups are HIV+ AMPATH clients, and these include both very vulnerable as well as less vulnerable clients. These groups allow members to save regularly and provide them with a source of loans to continue and expand growing ALVs. Ultimately these group funds might grow larger and provide sufficient financing to invest in higher-value agribusiness initiatives. After about 12 months, the groups graduate, disperse their shares to the members, and then start savings again for another year, if so desired, with minimal assistance beyond follow-up from the field officers. No financial support was given or loaned to the groups.

Soon after they form these groups, clients are introduced to ALV growing: they receive a start-up package with a mixture of ALV seeds, technical assistance and training on kitchen and sack gardens. Sack gardens reduce the amount of land, water and fertilizer needed and are especially helpful for PLWHA because they require less labor to cultivate, weed and harvest. However, even if households own a small plot of land (0.1 acre), they are advised to grow ALVs in sacks rather than in the ground, because yields are significantly higher and water consumption is much less. ALVs are easy to grow, require little investment, and their growth cycle is short, and there is consistent demand for them. As they become more proficient at growing ALVs, clients start using the harvest for home consumption and often generate extra cash income through the sale of any surplus vegetables, gradually allowing them to become less dependent on food prescriptions.

Farmers were able to link to local vegetable vendors and traders through stakeholders meetings, where traders explained to vegetable farmers how to improve production, management, post-harvest handling and packaging. Vegetable farmers in turn had a chance to express their concerns about dealing with traders. During these meetings, mutual trust was established and traders and farmers planned to do business together in future. The farmers also gained negotiating power by consolidating their produce in one place for the traders to buy, therefore having a stronger say in the price they sold at, depending on the prevailing conditions in the market and the season. In one case, Mace Foods, a local vegetable drier and marketer, sold quality seeds to farmers who in turn found in Mace Foods a ready buyer.

An alternative to ALVs for vulnerable urban residents was micro-processing of fruit and/or vegetable salads and/or juices. AMPATH was not certain about market success for this kind of microenterprise, and limited the number of participants to a dozen in an effort to test the market and potential for growth and replication.

Early Results

After about one year into the program (in October 2011), 67% (717 out of a total of 1,066 clients) were still growing ALVs. Of those, one third (244) did not have to receive food support anymore, as they were harvesting their crops and using the produce for home consumption. Seventy percent of those had also sold surplus production on the market. Almost all households consumed harvested ALVs at home, as they had been recommended to do so during AMPATH's nutrition class. But not all succeeded, owing partially to the time involved in behavior change and capacity building in production and marketing. Many of those that did not stay active in ALVs were impacted by drought and/or were not capable to continue growing vegetables, sometimes because they were too weak, did not learn the skills properly, or did not manage to secure basic inputs like water and fertilizer.

After one year, fifteen ALV farmers had graduated to various higher-level activities including poultry keeping, passion fruit farming and livestock rearing. Very few households were able to move into passion fruit farming, which requires a bigger plot of land (at least 0.25 acres to be profitable) and higher investments in fertilizer, tree stock and improved irrigation. Many did have very little land to begin with, and would have to either purchase or lease. A household would need to have from 20,000 KES to 30,000 KES (250 USD – 375 USD) to afford the initial investments in land and input supplies. This is significantly higher than the average amount of savings accumulated (856 KES, approximately USD 10) by GISE members after one year. Banks and other financial institutions were not willing to provide credit to HIV+ patients or new value chain entrants in general either, as they are seen as too risky. Besides financial constraints, HIV+ clients often find the work involved in passion fruit farming too physically demanding.

Survey data collected on 82 participants indicate an increase in net income of 187% on average per household, from 5,772 KES (USD 72) to 16,540 KES (USD 207) per year. This compares to an increase of 87% in net income per household for the control group (n=12), from 4,833 KES (USD 60) to 9,025 KES (USD 113). AMPATH also measured poverty of clients both at the start of the program and one year later. The poverty status was measured by using the Progress out of Poverty Index (PPI) for Kenya⁴. Clients demonstrated a 44 percent likelihood (average PPI score of 32) of being under the national poverty line at the start of the program. The follow-up survey found that the client population demonstrated a 33 percent likelihood (average PPI score of 41) of being under the national poverty line. The same decrease in poverty likelihood was observed in the control group, which appears to contrast the marked differences in net income increases between clients and control group. A likely explanation for this discrepancy is that increases in net income had not yet translated into changes in the indicators (mostly asset related) used to construct the PPI.

Microprocessing (fruit salads and juices) as a graduation approach for the urban residents proved unsuccessful. The obstacles towards its growth as identified during program implementation were the lack of a sizable market for fresh juice and competition from bottled juice and other drinks produced by large companies such as Delmonte, Coca Cola, and Kevian, fluctuating demand for fresh juice (during cold season demand drops) and the relatively high cost for small-size processing and refrigeration appliances. Since there was no time or resources to conduct a thorough market assessment before the project that would have identified these obstacles, only a small number of urban residents were encouraged to try fruit juice and salad making.

⁴ Reference for PPI Kenya

Valuable Lessons Learned

Including very vulnerable households when strengthening value chains is not easy and takes time. VIP Kenya focused its efforts on strengthening the passion fruit value chain and reaching less vulnerable households in the region, while taking separate steps to strengthen the economic potential of the most vulnerable. After one year, most very vulnerable households targeted by VIP Kenya have not yet been able to access higher-income opportunities within the passion fruit value chain but several lessons on selecting the right value chain and design of interventions for the poorest are emerging.

Need for a sequenced approach

AMPATH's carefully sequenced approach is showing strong potential for helping very vulnerable PLWHAs take the first step out of extreme poverty towards increased economic self-reliance. After one year as a member of savings and loan group and through growing of ALVs, many participants were able to produce some of their own food and even sell part of their produce for cash, enabling them to wean off food security and save regularly. But so far very few have been able to take up passion fruit farming due to continuing financial and other constraints that they are unlikely to overcome in the short term.

Realizing that the obstacles to passion fruit farming are still too high for most vulnerable households, the program evolved to encourage a variety of diversified, higher value activities such as livestock, poultry and seed growing. The few successful clients who proved able to do this so far demonstrated two common attributes: adoption of the culture of savings as propagated by the village savings and loans methodology; and a willingness to venture into higher-value agribusiness initiatives, taking the step to identify profitable areas they felt they could transition into, such as poultry, seed processing, goat rearing and similar activities. These type of microenterprises require a smaller initial investment and are less risky and more attractive to program participants at this stage than passion fruit farming.

Having seen the positive impact of participation in GISE groups to encourage regular savings possible through modest income increases from ALV farming, AMPATH has opted for replicating the GISE program across the Western region of Kenya providing more savings avenues in rural communities, with the attention to allow members to gradually increase their savings and move into increasingly profitable income activities that are in better reach for most than passion fruit production. Private service providers have been trained to assist GISE members in their efforts to move towards such higher-income activities. These service providers are paid a fee by the GISE groups for their technical assistance. Meanwhile, AMPATH continues to sensitize HIV affected communities of the need to become self-reliant instead of waiting for subsidized food and services, on which they have depended for many years since the start of global HIV/AIDS response.

Even though all the stages of the envisioned graduation did not materialize, and very few people so far moved into higher-income value chains or reach full economic self-reliance, the project has been successful in providing some critical changes that have made these initially very vulnerable people significantly less vulnerable. In addition to continuing the already existing social, nutritional and health services provided by AMPATH, the savings groups are enabling members to save and take loans, allowing them to smooth income and to invest in or expand small income activities. Moreover, through growing ALVs, many participants have been able to consume more and healthier food, as well as earn cash from surplus production.

It was critical that the project staff worked closely with site social workers, nutritionists and community health workers. These were typically hired locally in the communities where they ended up working, and thus know the clients well. They established trust and connection with the community resulted in better information about the project

progress, allowing adjustments to implementation activities as needed. Moreover, working in collaboration with the government and the EPC, AMPATH activities have expanded from a primarily social assistance focus to include economic assistance as well.

Access to financial services

When the social network of those affected hardest by HIV/AIDS collapses, their normal avenue for finance also collapse. To address this, AMPATH introduced its Group Integrated Savings for Empowerment, similar to CARE's VSL⁵ and India's SHG model. GISE groups are self-managed and independent, and members mobilize and manage their own savings, providing interest-bearing loans to members. Groups can establish a social fund with terms set in their constitution, which can provide financial support for emergencies and life cycle events. Often the social fund is utilized for weddings, funerals and medical bills. A follow up survey conducted in October 2011 revealed that 94% of the respondents utilize financial services – a drastic increase from the baseline survey (June 2010), when only 2% had access to financial services other than traditional ones. GISE groups provide a mechanism for safe, flexible, transparent savings with access to regular opportunities to borrow at affordable interest rates. There are virtually no costs involved, and all profits from interest revenues are distributed among the members. But loan sizes, especially at the initial stages, remain low, and GISE offer a limited range of products. In order to maintain transparency and safety, GISE funds are distributed at the end of a year.

GISE participants acknowledged that they value financial services and that they like to take advantage of tools/services accessible to them to avoid holding onto cash. The financial pressures many people face in their communities accompanied by the cultural philosophy of sharing what one has with others, makes it hard to hold onto cash (and thus save) when one's relative or friend is in need.

Movement out of Poverty

In the case of AMPATH, a person is considered 'no longer vulnerable' when she is consistently able to meet her family's basic needs. AMPATH uses the following indicators to determine this:

- The household is able to eat three meals a day without AMPATH's food prescription;
- All school-age children attend school regularly;
- The household is engaged in steady income generating activities;
- The household has access to finance (whether savings or loans, informal or formal); and
- The household is registered with the National Health Insurance Fund.

When met, these indicators reveal a household is able to meet basic needs and has options to address typical shocks such as illness, poor weather (drought or flooding), theft, and funerals/weddings.

Team Structure and Partnerships with other Programs as a Way of Ensuring Inclusion

An organization working with very vulnerable persons needs to understand the community it works within and be able to put in place appropriate tools to assess its clientele's progress towards achieving food and income security. In order to prevent clients to slide back into extreme poverty, AMPATH continues to monitor clients through its safety net programs (FPI, health care, food distribution, nutrition, and services for orphaned and vulnerable children) to determine when clients can be linked to income opportunities and decrease their dependence on food assistance. In

⁵ CARE VSL reference

addition, through partnerships with the government ministries, other nongovernmental organizations and research institutions, the FPI continues to attempt to mainstream these clients into the agribusiness service markets. At the same time the safety net established by AMPATH helps very vulnerable households to absorb the continuous social, economic and political shocks of life. But, while AMPATH has successfully filled a void for the short term, its long-term strategy is to work in partnership with various community and governmental organizations to provide some of these services sustainably.

Integrating Social Change and Services with Value Chain Development

VIP Kenya attempted to embed certain social services and messages—related to nutrition, gender, HIV related stigma & discrimination, and ethnic conflict—with the financial and technical services by community service providers, including healthcare officers, social workers and traders.

Nutrition

Through focus group discussions AMPATH found that vulnerable households value healthy living, good nutrition and a healthy environment. There are, however, key challenges in the community that hinder uptake of recommended nutritional practices, including lack of knowledge and adequate income which often forces families to consume the same food all the time, with nutritional deficiency syndromes as a result. In order to ensure adoption of more healthy living habits, the program utilized local media featuring prominent personalities as role models to provide awareness and started to incorporate information about healthy life styles into school curricula.

Gender

Gender mainstreaming requires paying constant attention to the gender perspective at every step, from activities involved in production to the sharing of benefits, including those activities that are traditionally dominated by men. In some social contexts, men market the products and are often seen as the key players, even when their involvement in production is limited. In most cases, men are often the main recipients of capacity building initiatives and financial support, while the main producers – the women – have limited access to such resources. Discussions with women from various vulnerable groups and other community stakeholders revealed that men take up a great percentage of the decision making in family business initiatives. The women do make decisions but the men usually have the final say on whether to agree with the decision or not. The men are the determinants of financial management (on investment issues and household expenditure) in the household. The women often play the role of decision implementers and involve themselves in other activities coded as female work such as taking care of children and household hygiene.

Integrating gender issues while mapping all steps of the value chain provides essential information on women's (and men's) involvement and contributions at different levels of the value chain. This information proved useful for program targeting and design, allowing customized skills upgrading for women and men related to specific value addition activities performed by them within given value chains.

Destigmatizing involves targeting the stigma and not the patient

Reducing stigma and discrimination associated with HIV/AIDS is fundamental for any HIV prevention strategy. The stakeholders solidly stated that effective ways to address stigma are continued sensitizations within the communities and for community interventions to be targeted to mixed HIV+ and HIV- groups. But government involvement in addressing HIV/AIDS related stigma is critical according to interviewed program stakeholders. Engagement of PLWHAs themselves in advocacy, mass media campaigns (community radios), provision of ARVs and AIDS related

counseling services are other mechanisms that proved effective in creating real change in behaviors, beliefs, and attitudes within the community. PLWHAs are well-positioned to disseminate basic correct information regarding HIV/AIDS using a face-to-face approach, and increase awareness about the epidemic and its effects on their lives.

Based on its experience from its long-term HIV response, especially psychosocial support activities, AMPATH developed guidelines for community level service providers and its own project officers involved with the value initiative. The guidelines were incorporated in manuals and training materials related to business skill development, group dynamics, integrated passion fruit management, and improved nutrition. This enabled service providers to incorporate stigma, ethnicity, nutrition and gender mainstreaming aspects as part of their training. AMPATH is currently in the process to determine the level of utilization of knowledge on social issues by the targeted community.

Ethnic conflict

AMPATH organized periodic forums to allow stakeholders and value chain participants to put forward concerns and make their voices heard. Appropriate representation of 'mixed groups' whether ethnic, gender, health or other, at these forums and in decision-making bodies within the community is very important to ensure that value chain and other market initiatives are inclusive and beneficial (or at least not harmful) to all stakeholders. For this purpose, it is helpful to develop mechanisms to ensure the meaningful participation whether it is in decision-making, production, training or other interventions identified as necessary by the community.

Conclusion

Integrating very vulnerable households when developing new value chains requires a long-term, gradual approach to build the assets of the very poor needed to successfully participate in higher-risk, profitable livelihood activities. VIP Kenya took on a dual approach, consisting of 'pull' activities as part of developing and expanding the passion fruit value chain and 'push' activities to strengthen the economic potential of its most vulnerable clients through food assistance, savings and loan groups and promoting vegetable growing as a livelihood activity that carries modest risks and requires a relatively low capital investment. After one year, many very vulnerable households targeted by VIP Kenya had made considerable progress towards economic self-reliance as demonstrated by increased income and savings, as well as reduced dependence on food allowances. Most have not yet been able to access higher-income opportunities within the passion fruit value chain but several lessons on selection of appropriate value chains and design of interventions for the poorest are emerging.

- 1) High-potential value chains like passion fruit in Western Kenya might hold long-term potential for income opportunities available to very vulnerable households, but such opportunities are rare in the short term. Before they can hope to engage in passion fruit production and processing activities, very poor households need to increase assets (intangible assets, such as health and skills, as well as tangible assets such as savings and productive assets) and become less vulnerable in order to engage in higher-risk, higher-profit activities. AMPATH's carefully sequenced approach is showing strong potential for helping very vulnerable PLWHAs take the first step out of extreme poverty towards increased economic self-reliance, by moving from health and food assistance to savings and loan groups and lower-risk livelihood activities (such as vegetable growing) that have the potential to improve household food security and income.

- 2) Practitioners and donors need to work with a longer-term perspective than the typical 2 or 3 year project periods that often set unrealistic expectations. Moreover, even the most successful interventions will not ‘graduate’ the majority of very vulnerable households into fully self-reliant households. The few successful clients who proved able to adopt passion fruit farming so far demonstrated two common attributes: adoption of the culture of savings as propagated by the village savings and loans methodology; and a willingness to venture into higher-value agribusiness initiatives, taking the step to identify profitable areas they felt they could transition into, such as poultry, seed processing, goat rearing and similar activities. Many other program participants were not as successful, but they nevertheless significantly improved their lives by achieving increased food security and accumulating savings. New livelihood activities must be easy to ‘take up’ as well as market and community- driven so that they remain sustainable in the long term.
- 3) Combining agribusiness interventions with appropriate mechanisms for financial inclusion was key to allow very vulnerable households to adopt new farming activities (vegetable growing) and to expand or diversify these activities through access to convenient and less costly financing. This brought about financial growth and behavioral changes faster than the program anticipated.
- 4) Program designers and implementers need to have a deep understanding of the vulnerabilities of participating households in order to provide an appropriate safety net to help absorb frequent social, economic and political shocks. The project worked closely with its on-site social workers, nutritionists and community health workers, hiring new staff from the site where they will work. As result they know the clients well, and will be able to establish trust with the community and stay informed about the progress made by participating households. It is also critical to provide a platform for the most vulnerable households themselves to gain ownership and ensure that program activities are market- and community-driven.
- 5) When working specifically with PLWHAs, it is important to work with mixed groups, HIV+ and HIV-, to help people understand that HIV+ persons can be productive, long-living members of society thus reducing stigma; and to utilize a safety net approach that can address specific HIV related health issues, that have the potential to move the patient from dependency to productivity.