

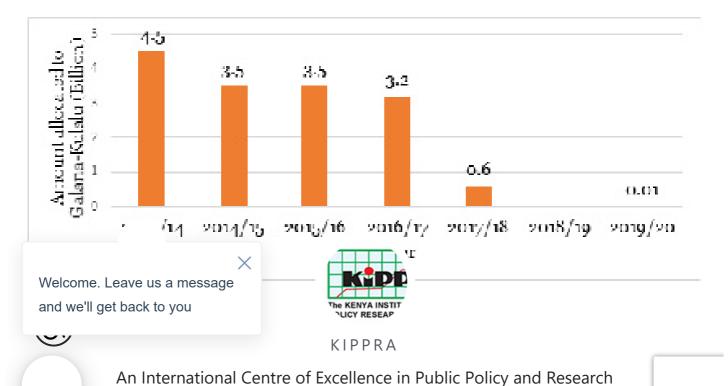


MARKET ANALYSIS REPORT APRIL-JUNE 2022 🕹



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Re-engineering of Galana Kulalu Food Security Project to Maximize its Potential

July 20, 2021 , 9:03 am , Blogs

Introduction

Galana Kulalu project is one of the initiatives identified in the Kenya Vision 2030 that has potential to contribute to the achievement of food security under the "Big 4" initiatives. The Kenya Vision 2030 is an overarching roadmap in transforming Kenya into a middle-income nation providing high quality of life to all its citizens by 2030 in a clean and secure environment. One way of ensuring high quality of life is through provision of reliable, affordable, and nutritious food to the people.

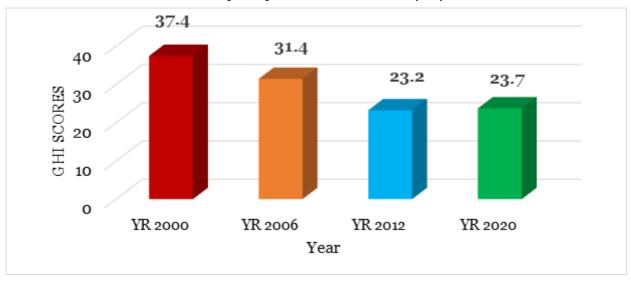
Over the years, Kenya has faced severe food insecurity, affecting the citizen's physical, social, and economic ability to access sufficient, safe, and nutritious food that meets their dietary needs and food preferences. Although there has been slight improvement from the past years, a Kenya National Bureau of Statistics (KNBS) report shows that 14.5 million Kenyans still face food and nutrition insecurity each year, with 2.6 million being severely affected.[1] Similarly, the Global Hunger Index (GHI), a tool that measures and tracks hunger at global, regional, and national levels, ranks Kenya at position 84 out of 107 nations with a score of 23.7. This clearly indicates that Kenya faces serious hunger levels.[2] As the GHI trend in figure 1 shows, the country has been experiencing serious hunger levels over the years. This situation can be attributed to increasing population, and declining agricultural production.

With Kenya's population projected to increase by 30 per cent (roughly 15 million by 2030)[3], the gap between food consumption and production will widen further, rendering more people food insecure. This, therefore, necessitates the need to improve food security to ensure 100 per cent food and nutrition security as envisioned in the Kenya Vision 2030, Medium Term Plan III and the Big Four Agenda, through enhanced large scale food production, improved smallholder productivity, and reduced cost of food to improve accessibility to all.

Figure 1: GHI scr 11 nd for Kenya

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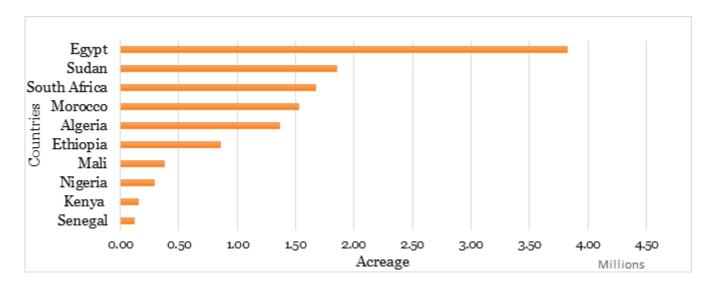




Source: Global Hunger Index (2020)

Irrigation is touted as the game changer in attaining food security in the country. Although Kenya has an estimated 1.3 million hectares of irrigation potential land, only 150,600 hectares had been put under irrigation in the country as at 2018. This is far behind the established irrigation giants in Africa (Figure 2).

Figure 2: Land under irrigation in Africa (hectares)



Source: FAO AQUASTAT database, accessed January 28, 2021 (FAO 2021). http://www.fao.org/faostat/en/#data/RL

To expand Kenya's notential in combating hunger and malnutrition, 1.0 million acres were set aside for Galana

plan was to put 500,000 acres under maize, 200,000 acres under

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a and we'll get back to you contain water storage and utilization of the available water and other

notices to consider a contain water storage and utilization of the available water and other

as alongside eco-tourism activities.

Galana-Kulalu food security project

Under Galana Kulalu project, 1.0 million acres was to be put under intensive agriculture to boost food production in the country.[1] The project was contracted to Green Arava from Israel to construct and install irrigation infrastructure and test the systems at an initial cost of Ksh14.5 billion. In the design, Green Arava was tasked with:

First, constructing two intakes from river Galana and installing the pipelines connected to 24 centre pivot irrigation systems serving 4,000 acres for maize cultivation. Second, the company was to install drip irrigation system to a further 6,000 acres under maize production. The third and last component of the contract was the establishment of a logistic centre housing maize mill, garage, drier, offices and a training facility. To better meet its goal of alleviating the food and nutrition security that existed at the time, Green Arava was given 30 calendar months to execute the contract for upscaling of the project.

The work on the project started in 2015 after a Ksh 6.35 billion loan from Bank Leumi of Israel was signed. Thereafter, the government through the National Treasury has been funding the project to an accumulative value of approximately Ksh15.3 billion from 2014-2019. As at 2020, 85 per cent of infrastructure was complete while 51 per cent of the area under irrigation was complete. Specifically, installation of 20 centre pivots and 8 pumps were accomplished; 5 pumps were delivered on site awaiting installation. The construction of drying slab, installation of 2 driers, a tractor shed, and garage were also completed. A total of 80 per cent assorted machinery has been supplied onsite. The installation of a drip irrigation system covering 1,800 acres along with a 45,000 cubic meter water pan and 6 pumps as support system are in place. The value of the pending works is Ksh 989.5 million, specifically on installation centre pivots, pumps and drips, construction of reservoirs, offices and storage and supply generators.

However, the project was working at under capacity. While it was projected to make Ksh 1.2 billion in maize sales per season, as at 2019, the project only managed 119,000 90kg bags of maize, worth about Ksh 273.7 million. In October 2015, the maize crop yield was 8,575 bags of 90kg, translating to 17 bags per acre. In the second season of planting, September 2015 to January 2016, 500 acres yielded only 3,101 bags of 90kg, translating to six bags per acre as opposed to recommended 22 bags of 90kgs[2]. The decline was attributed to the El Nino rains, which destroyed most of the maize crop in the farms. Between April 2016 and October 2016, Green Arava planted on 2,000 acres of land, managing a harvest of 59,066 bags of maize estimated at 31 bags per acre.

Why has the project's full potential not been achieved?

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n transfer of knowledge to man the infrastructure installed after contractor

exiting the site, and contractor not implementing as per work plan[3]. The report also flagged out the undor

of 20,000 acres leased land, where only 10,000 acres of land was utilized and the rest was left id

unfavourable weather condition such as flooding affected the expected yields. Moreover, capital intensive

such as Galana-Kulalu require government support especially in financing critical infrastructure development during inception.

Although the Government of Kenya allocated Ksh 4.5 billion during the initial stage in 2013/14, subsequent allocations reduced significantly, hindering the contracted firm from meeting their targets. This was even made worse in 2018/19 when the budgetary allocation did not earmark any amount to the project, while in 2019/20 it was allocated only Ksh 10 million (Figure 3).

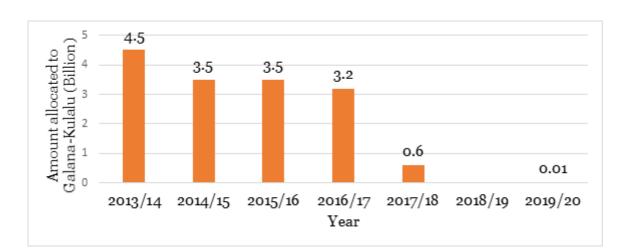


Figure 3: Budget allocation to Galana-Kulalu project, 2013/14 -2019/20

Source: National Treasury, 2013 to 2019

Additionally, although Galana-Kulalu project has achieved most of its targets, the project has attracted criticism from stakeholders. While some have sited the slow pace of execution due to delays in delivering of machinery, the contractor has faulted the government for slow pace in releasing funds to meet its schedule. Further, the community has raised concerns of being sidelined in the project, and the disruption to their livelihood due to drying up of the river Sabaki Galana. Currently, the government has taken several measures to revive the project to its initial plan. First, the contract with Green Arava Company was terminated and the mandate to implement the remaining part of the project transferred to the National Irrigation Board (NIB). Second, to avoid further delays and losses occasioned by unintended occurrences such as water scarcity due to drought and climate variability, the government conducted a feasibility test and audit of the Galana-Kulalu project. The outcomes of the test informed the government de in to involve the private sector in scaling up of the project to meet its initial target through Ρ rk. So far, Irrico International Limited, a Kenyan private firm, has been

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t, specifically on rehabilitation of water intake and installation of additional es the engagements with private firms, the local community will be directly

inv. yas 30,000 ramilies will be allocated 10 acre plots, 200,000 acres will be allocated to pastoralists, and the sub-divided into blocks that will be leased to individuals for either farming or ranching. re

Egypt has managed to adopt modern technology in irrigation that largely contributes to food security, owing to investment in farm-level irrigation modernization projects. With the help of funds from World Bank and other donors, Egypt managed to modernize irrigation systems, including installation of electric pumps. The approach included demonstration of improved farm-level irrigation systems, enhanced on-farm water management, land and agronomic practices, and training of extension staff in irrigation management. This led to modernization of 65,252 hectares of irrigation infrastructure benefitting 197,633 farmers through increased productivity and decreased irrigation costs by 46 per cent.

The Gezira irrigation Scheme in Sudan is another important learning point that Kenya can emulate. In this project, 1.0 million hectares have been put under irrigation, producing half of the country's agricultural output. The success of Gezira project has been attributed to efficient water management, and technological and extension services.

Conclusion

In conclusion, completion of Galana-Kulalu irrigation project is a priority in Kenya's quest to meet its food and nutrition security. It is important for the contractors and the relevant institutions to work together to ensure that the project achieves its intended goal.

To realize the full potential of Galana-Kulalu project, there is need for an enhanced financial guideline with clear direction on the sourcing of funds for the project, and prompt payment and implementing alternative financing such as Public Private Partnership (PPPs). This will ensure that the project is consistently and timely funded for effective implementation of the project.

Secondly, adverse weather and climatic changes could be addressed by constructing a dam to enhance availability of water for irrigation through water harvesting and storage facilities to reduce over-reliance of water in the Tana and Athi River Basins, which exalt competing water demand.

Additionally, there is need to competitively procure the most suitable contractor by type and experience, and address the problem of single sourcing. Furthermore, the process of monitoring and evaluating capital-intensive projects such as Galana-Kulalu need to be thorough, to inform timely and evidence-based decisions on the progress of the particle. This can be achieved if the selected indicators are Specific, Measurable, Achievable,

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rning from countries such as Israel, Egypt, and Sudan that have succeeded is need to revamp the extension services, adopt modern technology in ation strategy.

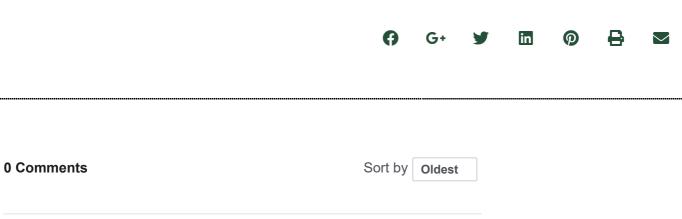
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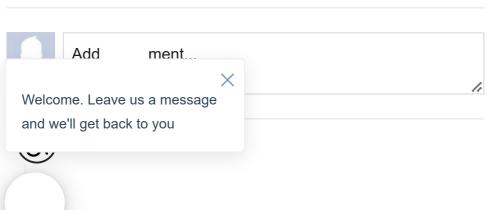
Hillary Wakhungu, Young Professional, Productive Sector

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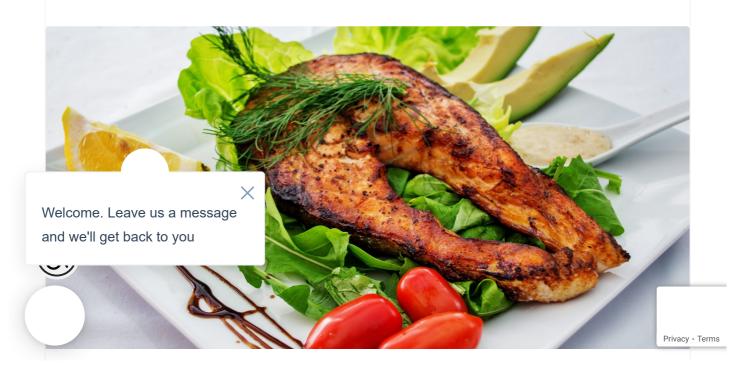
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