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# PATHWAYS OUT OF POVERTY CASE STUDY

## AMPATH: REACHING THE VULNERABLE USING VALUE CHAIN DEVELOPMENT<sup>1</sup>

### INTRODUCTION

In Kenya, 6.3 percent<sup>2</sup> of the population is living with HIV/AIDS, and 41 percent lives in food poverty<sup>3</sup>. Because of their health status and the social stigma attached to HIV/AIDS status in Kenya, these individuals—often widowed or abandoned women who are also heading vulnerable households—face unique challenges to succeeding in the marketplace and overcoming poverty. Designing an effective approach to sustainably facilitate pathways out of poverty for this population, while maintaining market-based principles, is a formidable challenge for practitioners. The Academic Model for Providing Access to Health Care (AMPATH) has piloted a unique model in Western Kenya. Originally focused solely on the direct provision of health services and food aid for people living with HIV/AIDS (PLWHA), AMPATH evolved to incorporate initiatives targeted at incrementally weaning its more capable clients off of dependency on direct food aid support. AMPATH piloted a sequenced graduation approach to market integration, starting with easy-to-grow and nutritious crops (e.g. African leafy vegetables, maize, beans) in combination with community savings groups, and eventually transitioning to higher value crops such as passion fruit, a growing value chain in the area. In this effort, AMPATH collaborated closely with the Kenyan Export Promotion Council (EPC) and a USAID-funded value chain competitiveness program. Although results are modest, the experience offers rich learning for practitioners. This model is part of AMPATH's long-term vision of sustainability and a belief that—even for PLWHA—growth of assets along with behavioral change geared towards economic growth can create wealth, reduce vulnerability to shocks, and give people the dignity of increased self-reliance.

### PROJECT EVOLUTION

AMPATH started in 2001 with a mission to treat PLWHAs after the Government of Kenya (GoK) declared HIV/AIDS a national disaster. AMPATH transitioned from solely prevention and treatment of HIV/AIDS to include primary health-care, chronic disease management, and other medical services. The program was designed by Moi University, Moi Teaching and Referral Hospital and a consortium of North American academic health centers led by Indiana University working in partnership with the GoK. AMPATH eventually set up additional services to provide support in nutrition counseling and food transfers, social services, legal aid, and psychosocial support groups.

While AMPATH saw growing improvements in its patient's health status, the program became concerned with the dependency on food handouts by some patients, especially those who had improved considerably. This led to the start-up of an income security component in 2003, and in 2009, AMPATH took a more robust, graduated approach to weaning clients from dependency on food aid. This emphasized shifting people's mind-sets and promoting strategies to gradually link the vulnerable into microenterprise activities that would lead to graduation into higher income-earning activities. With funding from the SEEP Network, AMPATH developed a programming link with the EPC and the USAID-funded, Fintrac-implemented Kenya Horticulture Competitiveness Program, which were working in Western Kenya under a passion fruit value chain development strategy. The graduation model was piloted at all 24 of AMPATH's sites.

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<sup>2</sup> USAID HIV/AIDS Health Profile pg 2, 2011.

<sup>3</sup> <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.

## THE GRADUATION MODEL

The goal is to provide avenues for increased income for microenterprises within the HIV/AIDS-affected communities by increasing their farm productivity and access to markets. To identify participants in the pilot program, AMPATH's medical care staff targeted clients from the health services program that met the following criteria: enrolled in a food prescription, having access to water and having a small piece of land. An additional criterion—willingness to participate in a saving group—was eventually added to better ensure that the clients could cultivate the financial proficiency to speed up the process of graduation.

The first 'step' towards self-reliance targeted production of African leafy vegetables (ALVs) and participation in a savings group. The initial focus on ALVs was designed to wean clients from the AMPATH food prescription while at the same time maintaining their nutritional needs<sup>4</sup> and creating opportunities for supplemental income through the sale of surplus vegetables. Kenya has a ready market for ALVs, as climatic conditions are suitable, minimal investment and land/space is needed, they require a short cropping time, and they are easily sold in the community. Upon enrollment, the program supplied participants with a start-up seed package of select indigenous vegetables (e.g., spider plant, black nightshade), technical assistance with production through an on-site field officer, and training on kitchen and sack gardens. Sack gardens are particularly helpful for PLWHA because the sack garden utilizes water, soil, fertilizer and seeds economically compared to the kitchen garden, and the maintenance required is minimal.

To enhance the culture of saving and cushion the vulnerable from stringent formal banking system requirements (collateral, high interest rates, the need for credit history or business records, etc.), AMPATH introduced a Village Savings and Loans Model in November 2010. Through the group savings intervention, AMPATH provided field officers to train and facilitate the community-led savings and loans groups for approximately 12 months. As the clients grow and harvest their crops, they continually save and invest in higher-value agribusiness initiatives. After about 12 months, the groups would graduate, disperse their shares to the members, and then re-group for the next year, if so desired, with minimal assistance beyond follow-up from the field officers. No financial support was given or loaned to the groups.

Farmers were also linked to local vegetable vendors and traders through the organization of a stakeholders meeting. Traders were first given the chance to list a number of issues they would wish vegetable farmers to address to make their vegetable trade successful in terms of production, management, post-harvest handling and packaging. Vegetable farmers then explained their concerns about dealing with the traders. By the end, both the traders and farmers exchanged contact information with plans to do business. 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 had Mace Foods as a ready buyer.

In accordance with AMPATH's long-term vision of economic self-reliance by clients, the next step involved diversification into higher-return activities such as passion fruit, livestock and poultry. Passion fruit was identified as being particularly appropriate because it is suitable for small plots of land, has significant market demand, has a high return for its fruit relative to other options, partners such as EPC were willing to participate, and AMPATH was familiar with the crop. The consortium thus engaged with community businesses like nursery owners, traders and lead farmers to develop improved business models to strengthen the value chain as a whole and link with poor farmers. This included embedded services such as technical assistance to farmers, tailored financial services, and input and equipment packages. In an effort to share risk, the consortium and the businesses agreed to cost-share these enhancements. The cost-sharing focused on infrastructure improvements, transport/airtime for training and organizing farmers, starting quality inputs for nurseries, and other basic ex-

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<sup>4</sup> Using Food Science and Technology to Improve Nutrition and Promote National Development, Robertson, G.L. & Lupien, J.R. (Eds), © International Union of Food Science & Technology (2008). Countries that retain indigenous vegetable diets and have high consumption of these vegetables are much less likely to be affected by cardiovascular diseases, diabetes and other adverse consequences of nutrition in transition (Johns & Sthapit, 2004).

pansion costs. As the subsidy phases out, the consortium will learn what is perceived as viable by the business partners based on what services they decide to continue. Effective scale-up should be driven by market demand; the current business partners are meant to be role models to others on what is possible and worthwhile so that they will replicate and compete for the value identified. The project is nearing the end of the grant period, and at the time of writing this paper, is in the process of learning more about the business partners' and clients' plans for the future related to these initiatives. This information will help inform how what has worked will be picked up in other regions.

## RESULTS

Succeeding even at the first stage (ALVs and savings group) proved to be a challenge for many of the clients, owing partially to the time involved in behavior change and capacity building in production and marketing. However, for those that did remain engaged, income increased considerably in a short period of time. As of October 2011, 717 clients were actively growing ALVs. This represents 67 percent of those initially enrolled and given seeds. Only 244 of the farmers reported harvesting ALVs at the time of the assessment by field officers, and 169 had sold to markets. Many of those that did not stay active in ALVs were impacted by drought or were poorly selected during the initial targeting phase. AMPATH also suspects that some farmers may have underreported harvesting ALVs for fear of losing benefits from the program. The majority of farmers harvesting ALVs were also consuming them at home, since most of them had taken AMPATH's nutrition class emphasizing the importance of consuming ALVs for a healthy immune system. Fifteen ALV farmers graduated to various higher-level activities such as poultry keeping, passion fruit farming and livestock rearing.

Survey data collected on 82 participants indicated an increase in net income of 45 percent, on average for the male participants and 472 percent for women participants. This can be compared to the control group (12 surveyed) where men increased income by 17 percent and women by 114 percent, suggesting a 28 percent (for men) and 358 percent (for women) net income change attributable to the program. In addition, the vulnerable clients have provided opportunities to other community members as part- or full-time farm workers (average of 1.86 persons per client). However, in the baseline 28 men and 53 women were surveyed, and in the follow-up survey 54 men and 27 women were surveyed, limiting the accuracy of the results.

A baseline survey was carried out at the outset of the program with the aim of understanding the socio-economic state of the clients. The poverty status, which depends on expenditure, was directly measured from the surveys using the Progress out of Poverty Index (PPI) Scorecard. The PPI is an objective client poverty assessment and targeting tool that provides social performance data. In the baseline survey, AMPATH found that clients enrolled in the ALV graduation intervention demonstrated a 44 percent<sup>5</sup> likelihood (average PPI score of 32) of being under the national poverty line. After a complete year of program interventions, the follow-up survey found that the client population now demonstrates a 33 percent likelihood (average PPI score of 41) of being under the national poverty line. However, the control group surveys indicated essentially the same results. This is in contrast to the other indicator results described above, since the PPI does not suggest much difference between the participant and control groups in terms of wealth measured by assets owned. Though an important tool for measuring the socio economic status change of a population, the PPI Scorecard is only designed to provide an estimate of the poverty likelihood of an individual at a specific point in time. The PPI tool may indicate that target beneficiaries are poor due to the fact that they do not have high-value assets in their home. However, they may have a high income utilized in other activities, which is not captured in the PPI.

Outside of the graduation pilot, the consortium also engaged in supporting the passion fruit value chain more broadly through training (reaching 1,960 lead farmers through a tiered training structure) and market linkages. 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.

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<sup>5</sup> Based on national poverty line of Kenya, 1997 (most current PPI version at time of baseline survey). In 1997, KES 41/day was the rural poverty line for Rift Valley, Kenya.

## KEY SUCCESS FACTORS AND LESSONS LEARNED

1. The graduation approach has proved to be a means of lifting vulnerable people out of poverty. However, it is very important to note that the specific intervention **MUST** be easy to ‘take up’ as well as market and community-driven so that it becomes sustainable in the long term. It should not demand too many resources for the graduation process to occur. Furthermore, reporting forms and frequency should be designed to detect changes on key indicators of progress throughout the intervention. Involving already established private sector actors added significance to building engagements and cementing the relationships between relevant stakeholders.
2. One critical success factor is an understanding of the population and ensuring that a safety net is in place to help the vulnerable absorb the continuous social, economic and political shocks of life. The project staff worked closely with their site social workers, nutritionists and community health workers. Normally staff is hired from the sites in which they work and thus know the clients well. The project established trust with the community and this relationship informed the program on the success of project activities, allowing the program to adjust intervention delivery as needed. In addition, working in collaboration with the GoK and the EPC, AMPATH activities have integrated economic and social issues. The project provided a platform for the vulnerable communities to have ownership over interventions that were market- and community-driven.
3. Combining agribusiness interventions alongside financing was another key success factor. As the clients adopted the agribusiness interventions, the group savings and loan model enabled them to expand and diversify their activities through access to convenient and less costly financing. This brought about financial growth and behavioral changes faster than the program anticipated.
4. AMPATH employed a quasi-experimental design with the use of control groups and utilized outcome mapping approaches to investigate the overall contributions that the program made towards the exhibited behavioral changes in the activities of the clients. In terms of program impact and outcome measurement, AMPATH found that the PPI scorecard did not present a complete picture of the target beneficiaries, although it was a strong tool in detecting change of assets owned by a household.
5. The program also initiated a business-based approach to address constraints, particularly in its collaborations around developing the passion fruit value chain. This involved 1) conducting feasibility studies and value chain analysis to guide implementation, 2) linking the graduation strategies with value chain development strategies, and 3) leveraging existing trust and relationships with the community. Local traders, nursery owners, and entrepreneurial farmers (lead farmers) partnered with the consortium to address the gaps in technical assistance for farmers and nurseries, access to quality inputs, and availability of credit. In the cost-sharing efforts, the program did experience administrative challenges with delay in procurement and payments. It was hard to balance AMPATH’s lengthy procurement and payment processes with the private-sector actors’ need for fast cash. The lesson learned was to factor in administrative constraints to implementation and set expectations accordingly.
6. Although the program emphasized passion fruit farming initially because of its partnerships with EPC and Fintrac, it evolved to encourage a variety of diversified, higher value activities such as livestock, poultry, and micro-processing. The micro-processing element of the graduation model worked with vulnerable, urban clients to run micro street vending businesses, selling fresh fruit salad or fresh squeezed juice. However, the ‘street market’ was volatile and sparse, according to feedback from micro-processors. While there were established micro-processors before the intervention, it was difficult for vulnerable, new entrants to create a solid market presence in their location and AMPATH thus decided to discontinue the intervention.

7. Regarding transitions, AMPATH found that the most successful clients 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 passion fruit growing. The process was ultimately driven by their willingness and personal decision to take part in higher-value activities.
8. Qualitative surveys carried out by the program revealed that the community believes that poverty is the leading cause of malnutrition and poor health due to the lack of access to a variety of foods with different nutritional values. While poverty increases HIV/AIDS vulnerability, the pandemic itself increases poverty among infected people, their families, their communities and society as a whole. When working with PLWHAs, the lesson is 1) to work with mixed groups, i.e. HIV+ and HIV- as it helps people understand that HIV+ persons can be productive, long-living members of society and thus reduces stigma; and 2) utilize a safety net approach to addressing health issues, as it helps bring the patient from dependency to productivity.
9. In considering the broad lessons from this program that are most relevant for other practitioners, AMPATH determined the following: 1) vulnerable members of the community need to be given the responsibility and ownership of their own success, 2) interventions need to be designed with an understanding of the vulnerable and the context in which they live, 3) monitoring and evaluation of client progress and intervention implementation is key to responsive and effective programming, 4) partnership with for-profit, local SMEs can be an effective method of extending reach and strengthening community economic opportunities, and 5) a three-pronged approach that links safety net services, graduation activities and local SME businesses can create community-owned pathways out of poverty.