



Private Sector Development Impact Stories

Market Systems and Value Chain Development



DCED

The Donor Committee for Enterprise Development

The [DCED's Impact Stories](#) webpage offers a collection of short stories about private sector development programmes that have created jobs and income for the poor at scale – according to self-reported results. These stories underline the great potential of the private sector to generate economic opportunities and improve the living conditions of the poor.

Impact Story: The Smallholder Dairy Project in Kenya

The informal milk sector used to dominate Kenya's milk marketing chain (86% market share). However, informal vendors were unable to obtain a license under the government's old dairy policy and concerns over the quality of milk sold by the informal sector were widespread.

What has been done? Evidence-based research undertaken by DFID's Smallholder Dairy Project (SDP) demonstrated the economic significance of the informal milk sector, which involves 800,000 smallholders and additional 35,000 full-time jobs along the value chain. It also highlighted the potential for improved handling and hygiene practices. The findings were used to inform and advocate for policy change, resulting in new government regulations designed to streamline licensing processes for small-scale milk vendors in 2004. At the same time, SDP supported the development of modules for training and certification of vendors to improve milk quality.

What Has Been Achieved? The project resulted in improved handling and hygiene of milk and formal licensing for small-scale milk vendors previously excluded from retail markets. This increased profit margins for small-scale vendors, and employment for many others in the sector, providing estimated economy-wide benefits of US\$33.5 million annually. Training and certification based on SDP's concept continues through the Dairy Traders Association, which was established in 2009. [Source and more information: DFID, 2010](#)

[Click here](#) for more impact stories of Market Systems and Value Chain Development programmes.