



# AGRICULTURE SECTOR NETWORK

*The voice of Kenyan agriculture*



# AGRICULTURE SECTOR NETWORK (ASNET) STRATEGIC PLAN 2021 - 2024







# **AGRICULTURE SECTOR NETWORK (ASNET) STRATEGIC PLAN 2021-2024**

## ACRONYMS

AATS	Africa Agriculture Transformation Scorecard
AfCFTA	Africa Continental Free Trade Area
AGRA	Alliance for a Green Revolution in Africa
ASALs	Arid and Semi-Arid Lands
ASDS	Agricultural Sector Development Strategy
ASTGS	Agriculture Sector Transformation and Growth Strategy
AU	African Union
BAF	Business Advocacy Fund
BMOs	Business Member Associations
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
CAADP	Comprehensive Africa Agriculture Development Programme
CAFTA	Central America Free Trade Area
CEO	Chief Executive Officer
CET	Common External Tariff
CIDPs	County Integrated Development Plans
COMESA	Common Market for East and South Africa
DACs	District Agricultural Committees
DDCs	District Development Committees
DFRD	District Focus for Rural Development
EAC - ARDP	EAC Agriculture and Rural Development Policy
EAC	East Africa Community
EC	European Commission
EEN	Enterprise Europe Network
EEZ	Exclusive Economic Zones
ERS	Economic Recovery Strategy for Wealth and Employment Creation
FAO	Food and Agriculture Organization of the UN
FAOSTAT	FAO Statistics



FTA	Free Trade Area
GHG	Green House Gas
GDP	Gross Domestic Product
IGAD	Intergovernmental Authority on Development
KEPSA	Kenya Private Sector Alliance
KNCCI	Kenya National Chamber of Commerce and Industry
MDGs	Millennium Development Goals
MSs	Monitoring Systems
NAIP	National Agriculture Investment Plan
NEMA	National Environment Management Authority
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
PTA	Preferential Trade Area
R&D	Research and Development
SAPs	Structural Adjustment Programmes
SDGs	Sustainable Development Goals
SRA	Strategy for Revitalizing Agriculture
UN	United Nations
UNCLOS	United Nations Convention of the Laws and Sea



## Table of Contents

Acronyms .....	ii
ACKNOWLEDGEMENTS .....	vii
EXECUTIVE SUMMARY .....	viii
1.0 Agriculture Sector Review .....	11
1.1 Global level.....	11
1.2 Global agriculture trade .....	12
1.3 Africa Continental Agriculture Sector Review.....	13
1.4 Africa Agriculture Resource Status .....	16
1.5 Africa continental agriculture trade.....	17
1.6 Kenya Agriculture Sector Review .....	18
1.6.1 Crops and Land Development Subsector .....	19
1.6.2 Livestock Subsector .....	20
1.6.3 Fisheries subsector.....	21
1.6.4 The Cooperatives Subsector .....	22
2.0 Policies governing agriculture .....	22
2.1 Policies at global level .....	22
2.2 Policies at Continental level.....	23
2.3 POLICIES AT REGIONAL LEVEL.....	24
2.4 Policies at National and County levels.....	26
3.0 EVOLUTION OF AGRICULTURE PRIVATE SECTOR ORGANIZATIONS IN KENYA .....	30
3.1 GENESIS AND HISTORICAL BACKGROUND OF AGRICULTURE PRIVATE SECTOR ORGANIZATIONS IN KENYA.....	30
3.2 EMERGENCE OF ASNET .....	31
3.3 BENCHMARKING ASNET .....	33
3.3.1 Inclusivity and neutrality in approach.....	33
3.3.2 Openness, democracy and flexibility .....	33
3.3.4 Champions of change.....	34
3.3.5 Representation.....	34
3.3.6 Devolved consultation structures .....	34
3.3.7 Strategic advocacy .....	34
3.4 JUSTIFICATION FOR ASNET STRATEGIC PLAN .....	37



4.0	ASNET SITUATIONAL ANALYSIS.....	37
4.1	SWOT ANALYSIS .....	37
4.2	Political Economic Social Technological Environmental and Legal (PESTEL) Analysis .....	41
4.2.1	Political.....	41
4.2.2	Economic.....	42
4.2.3	Social .....	43
4.2.4	Technological .....	43
4.2.5	Environment.....	44
4.2.6	Legal .....	45
4.3	Stakeholder Functional Analysis .....	45
5.0	ELEMENTS OF ASNET’S STRATEGIC PLAN .....	48
5.1	VISION .....	48
5.2	MISSION .....	48
5.3	CORE VALUES .....	48
5.4	CORE FUNCTIONS.....	48
6.0	STRATEGIC ISSUES AND OBJECTIVES.....	49
6.1	Strategic Issue 1: Mainstream agriculture related Policy, legal, regulatory and institutional aspects for a competitive and enabling business environment.....	49
6.2	Strategic Issue 2: Consolidate fragmented agriculture private sector actors.....	51
6.3	Strategic Issue 3: Development of Agriculture value chains .....	52
6.4	Strategic Issue 4: Inclusivity of agriculture sector growth.....	53
6.5	Strategic Issue 5: Development of a lean, functional and effective ASNET Secretariat .....	54
7.0	ASNET ORGANIZATIONAL STRUCTURE .....	55
7.1	CURRENT STRUCTURE.....	55
7.1.1	Membership.....	55
7.1.2	ASNET governance and management (secretariat).....	55
8.0	RESOURCE REQUIREMENTS AND MOBILISATION.....	57
8.1	OVERALL RESOURCE REQUIREMENTS .....	57
8.2	RESOURCE REQUIREMENTS FOR IMPLEMENTING THE SP AND FINANCIAL IMPLICATIONS FOR YEAR ONE .....	58
8.3	FINANCIAL RESOURCE MOBILISATION.....	59
8.3.1	Subscriptions.....	59
8.3.2	Subventions.....	59
8.3.3	Projects/activities.....	59



8.3.4 Other resource streams .....	59
9.0 MONITORING, EVALUATION AND SUPPORTING MECHANISMS.....	60
9.1 Monitoring and Evaluation .....	60
9.2 AGRICULTURE STAKEHOLDERS DATABASE .....	60
9.3 PERFORMANCE INDICATORS .....	61
9.4 ASNET MONITORING PLAN .....	61
10.0 RISKS AND RISK MITIGATION .....	62
ANNEX I: ASNET Logical Framework .....	63
ANNEX II: ASNET STRATEGIC PLAN INTERVENTION CONCEPTUAL LOGIC .....	68
ANNEX iii: ASNET GOVERNANCE AND MANAGEMENT STRUCTURE.....	69

### List of Tables

Table 1: Global net trade flows of developing countries .....	13
Table 2: Shares of Africa’s food trade (2004-2007 average).....	17
Table 3: ASNET SWOT analysis.....	38
<b>Table 4: Stakeholder Functional Analysis .....</b>	<b>46</b>
Table 5: ASNET Strategic Plan summary of costs.....	57
Table 6: Breakdown of year one financial resource requirements.....	58

### List of Figures

Figure 1: Africa Regional contribution to total food production .....	16
---	----

### List of Boxes

<i>Box 1: Safari Park Declaration on agriculture transformation.....</i>	<i>32</i>
<b>Box 2: The case of Botswana Confederation of Commerce, Industry and Manpower .....</b>	<b>36</b>

## ACKNOWLEDGEMENTS

The Agriculture Sector Network (ASNET) is deeply indebted to its Trustees under the Chairmanship of Arch. Lee Karuri, The Board of Management under the Chairmanship of Dr. Bimal Kantaria, The Council, Technical Advisory Group and the Strategic Planning Committee under Ms. Jane Musindi and all other ASNET organs who brought forth the idea of developing an ASNET Strategic Plan to guide the formative stages of the Network. These entities and committed people laid the foundation for the Strategic Plan and saw to it that it came to be.

ASNET acknowledges its founding institutions namely KEPSA, KNCCI, KAM, Elgon Kenya, UN FAO and UNDP's SDGs Platform that continue to support the establishment of a consolidated agriculture private sector body.

The government of Kenya through various Ministries has remained and continues to be supportive of ASNET especially the Ministry of Agriculture, Livestock, Fisheries and the blue economy through The Agriculture Transformation Office (ATO) and the Ministry of Trade and Industry.

ASNET recognises and acknowledges the Lead Consultant, Paul Gamba of Egerton University, and his Team for transforming the idea of the Strategic Plan into a reality.

ASNET further registers its heartfelt gratitude to BAF for financing the initial stages of ASNET'S evolution, the UN FAO for financial and technical support in the development of the Strategic Plan and USAID through the Kenya Crops and Dairy Market Systems Activity (KCDMS) implemented by RTI International for financing the designing and printing of the Strategic Plan.

Finally, ASNET recognizes all those who contributed in one way or another to the development of its first Strategic Plan.



Agriculture remains integral to global economic development and a powerful tool to end extreme poverty. It is the largest single employer in Africa, a continent where majority of the population lives in extreme poverty striving to make a living from agriculture. In Kenya, agriculture is the backbone of the economy and a critical pillar in the country's development strategy. However, although land is available for agricultural expansion, this may never be realized owing to increasing land demand. As such, intensification will be the main agricultural growth option in the foreseeable future. Coupled with this unfortunate reality, is climate change whose effects continue to impact agriculture negatively putting to risk the ability to access nutritious and affordable food. It is thus inevitable that the country shifts toward more sustainable food systems with efficient land use, water and other inputs. This requires increased investment in agriculture and agri-food systems through research, innovations and technologies to meet current and emerging needs. An important measure will be the creation of food supply chains that better connect farmers to markets while assuring consumers of safe food at affordable prices. Trade facilitation will thus be critical in linking producing economies to sustainable markets.

To effectively realize agricultural development globally, different policies have been developed. Among these is the recommitment to end poverty and reduce global hunger to zero as the first and second of the Seventeen (17) SDGs affirming agriculture as a significant global agenda.

At the continental level, initiatives towards transforming agriculture include Africa Agenda 2063 and Comprehensive African Agricultural Development Policy (CAADP) as Africa's agricultural development policy framework. In recent times, the continent has been inclined towards facilitating continental trade through the African Continental Free Trade Area (AfCFTA). Regional economic blocs including COMESA, IGAD and EAC also continue to be instrumental in creating an enabling trade environment amongst Member States (MSs).

At the national level, the advent of devolution and the urgent need to transform agriculture, drove the country to develop the Agriculture Sector transformation and Growth Strategy (ASTGS) and the National Agriculture Investment Plan (NAIP). Moreover, the government is keen to stay on its transformative trajectory through the Big Four (B4) Agenda in which agriculture and food security in particular features prominently.

Inherent in current agriculture policy frameworks is the renewed interest and enduring role of private sector actors in agriculture. Private sector actors have been identified as the drivers of agriculture development at both the continental and national levels with the ongoing establishment of country agribusiness partnership frameworks. It is therefore imperative that private sector actors in agriculture strategically position themselves to exploit existing and emerging opportunities as they seek partnerships in the creation of an enabling policy environment that permit businesses to thrive.

The foregoing initiatives and the inherent need to organize and coordinate private sector actors in agriculture to champion agricultural transformation and support policy dialogue for a prosperous and inclusive growth led to the formation of ASNET.

ASNET is the umbrella body of the agriculture sector in Kenya. It was launched on 26th February, 2020 following the Safari Park Declaration. It was formed through a partnership of KEPSA, KNCCI, KAM, SDG Partnership Platform of the United Nations with support from BAF, Elgon Kenya Limited, like minded business associations, partners and other stakeholders. ASNET's key role is to coordinate agriculture sector actors in Kenya through various mechanisms to engage in policy advocacy and value chain development that promote increased productivity, competitiveness and attracts investments into the agriculture sector. To guide the organization's growth and delivery of its sectoral mandate, a three (3) year strategic plan has been developed. The strategic plan is anchored on best practices in organizing and coordinating private sector actors both regionally and globally.

The strategic plan aims to guide the ASNET towards accomplishing its mandate and realizing its overall objective through partnerships in an effort to transform and revolutionize the agriculture sector by focusing on its core functions that include:

- Enhance sector-wide coordination of the often fragmented agriculture sector
- Lead in policy advocacy for a competitive and enabling business environment
- Capacity building of associations/BMOs in the sector
- Forge greater collaboration and partnership with the national and county governments, development partners, sector associations, international and regional institutions
- Partner with government to fast-track implementation of sector flagship programmes (e.g. ASTGS, Big 4 Agenda)
- Support the generation and maintenance of relevant research data

Accordingly, ASNET will act as the coordinating platform for the fragmented private sector actors' initiatives' towards harmonized and coordinated articulation of private sector related agricultural issues. ASNET will spearhead advocacy for an enabling policy environment in an effort to optimally position private sector actors to optimally play their role in revolutionizing agriculture leading to inclusive growth and wealth. It is also incumbent upon ASNET to facilitate development of agricultural value chains while ensuring inclusivity.

ASNET has conducted a SWOT, PESTLE and Stakeholder analysis and in the process expressed its Vision and Mission as *“To be the most influential agriculture private sector actors’ umbrella body, voice and champion for transformation”* and *“To partner with National government, County governments and Development Partners in transforming and revolutionizing the agriculture sector leading to growth, inclusive wealth and creation of decent jobs”* respectively.



The Network has further consolidated its core values and core functions, identified strategic issues; defined strategic objectives and the corresponding interventions to position itself for the next three years. The five strategic issues that are at the centre of ASNET's strategic plan are:

**Strategic Issue 1:** Mainstream the agriculture related Policy, legal, regulatory and institutional aspects for a competitive and enabling business environment

**Strategic Issue 2:** Consolidate fragmented agriculture private sector actors

**Strategic Issue 3:** Development of Agriculture value chains

**Strategic Issue 4:** Inclusivity of agriculture sector growth

**Strategic Issue 5:** Development of a lean, functional and effective ASNET Secretariat

To respond to these strategic issues, the Network will be supported by different governing organs including Trustees, Board of Directors, Council, County Boards and Technical Advisors. The governing organs will be supported by a Secretariat led by a CEO in executing its mandate.

For effective implementation, it is estimated that the current strategic plan will cost approximately KES. 172 million for the three years ( Year 1 – 59 Million, Year 2 – 54 million and Year 3 – 59 million).

The strategic plan will be implemented through annual work plans that track progress and will be regularly reviewed to respond to emerging opportunities.





## 1.0 AGRICULTURE SECTOR REVIEW

### 1.1 GLOBAL LEVEL

According to World Bank estimates, agricultural development is one of the most powerful tools to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050. Growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. A 2016 analyses found that 65% of poor working adults made a living through agriculture. World Bank further envisions that agriculture has a critical role in fostering world economic growth: in 2014, it accounted for one-third of global Gross-Domestic Product (GDP)<sup>1</sup>.

It has become increasingly evident in the last few years that the perception of both economists and policy makers regarding the role of agriculture in economic development has undergone an important evolution. According to Food and Agricultural Organization of the United Nation (FAO), agricultural production, globally, has been growing at a rate of between Two and Four percent annually over the past 50 years, while arable land has increased by only one percent per year. Farmland, in the broadest sense, land used for crops, grazing, livestock and arable land, takes up 37.6 % of the total land available compared to forestland at 31.1%. At a global level there is adequate unused potential farmland. A comparison of soils, terrains and climate with the needs of major crops suggests that an extra 2.8 billion ha are suitable in varying degrees for the rain fed production of arable and permanent crops. This is almost twice as much as is currently farmed. However, only a fraction of this extra land is realistically available for agricultural expansion in the foreseeable future, as much is needed to preserve forest cover and to support infrastructural development<sup>2</sup>.

Accessibility and other constraints also stand in the way of any substantial physical expansion. More than half the land that could be opened up is in just seven countries of tropical Latin America and sub-Saharan Africa, whereas other regions and countries face a shortage of suitable land. In the Near East and North Africa, 87 percent of suitable land was already being farmed in 1997-99, while in South Asia the figure is no less than 94 percent. In these regions, intensification through improved

---

<sup>1</sup> The World Bank dashboard  
<https://www.worldbank.org/en/topic/agriculture/overview>

<sup>2</sup> High Level Expert Forum - How to Feed the World in 2050, Rome 12-13 October 2009. [www.fao.org](http://www.fao.org)

management and technologies will be the main, indeed virtually the only, source of production growth. In many places land degradation threatens the productivity of existing farmland and pasture

Agriculture-driven growth, poverty reduction, and food security are at risk: Climate change is already impacting crop yields, especially in the world's most food-insecure regions. In 2020, shocks related to climate change, conflict, pests and emerging infectious diseases are hurting food production, disrupting supply chains and stressing people's ability to access nutritious and affordable food. Agriculture, forestry and land use change are responsible for 25% of greenhouse gas emissions. Mitigation in the agriculture sector is part of the solution to climate change.

The foregoing will dictate major adjustments in agricultural systems, rural economies and natural resource management. These adjustments will likely result into more sustainable food systems that make more efficient use of land, water and other inputs. It is also plausible that the changes will sharply reduce the use of fossil fuels, leading to a drastic cut of agricultural Green-House Gas (GHC) emissions, greater conservation of biodiversity, and a reduction of waste. These adjustments will demand increased investment in agriculture and agri-food systems, as well as greater spending on Research and Development (R&D) to promote innovation, support sustainable production increases, and find better ways to cope with water scarcity and climate change.

Along with boosting production and resilience, equally critical will be creating food supply chains that better connect farmers in low- and middle-income countries to urban markets along with measures that ensure increased consumers' access to nutritious and safe food at affordable prices especially food price policies and social protection programs<sup>1</sup>

## 1.2 GLOBAL AGRICULTURE TRADE

It is estimated that over the course of the past 40 years, the net flow of agricultural commodities between developed and developing countries has reversed direction. In the early 1960s, developing countries had an overall agricultural trade surplus of almost US\$7 billion per year. By the end of the 1980s, however, this surplus had disappeared. During the 1990s and early 2000s, developing countries became importers of agricultural products. Food imports by developing countries increased rapidly during the 1970s, grew more slowly during the 1980s and accelerated again over the 1990s<sup>3</sup>.

---

<sup>3</sup> "Food import bills", FAO <http://www.fao.org/3/y5419e/y5419e03.htm>

The table below shows the trade flows between developing and developed countries;

Table 1: Global net trade flows of developing countries

Commodity category	Net trade of developing countries (negative values denote net imports)				
	1961/63	1979/81	1997/99	2015	2030
	Billion US\$ (current)			Projected Billion US\$ (in US\$ of 1997/99)	
Total Agriculture	6.68	3.87	-0.23	-17.6	-34.6
Cereals	-1.57	-14.25	-17.4	-31.9	-44.6
Wheat	-1.53	-10.45	-10.3	-17.3	-23.5
Coarse grains	-0.04	-3.8	-7.1	-14.7	-21.1
Meat	0.22	-0.56	-1.18	-3.4	-5.8
Ruminant	0.27	0.14	-0.93	-2.5	-4.6
Non-ruminant	-0.06	-0.71	-0.25	-0.8	-1.2
Milk	-0.37	-3.36	-5.65	-8.4	-11.1
Rice	-0.07	-1.44	-0.39	-0.5	-0.7
Vegetable oils and oilseeds	0.81	0.52	-0.57	-0.6	-0.6
Fruit, vegetables and citrus	0.24	1.67	8.4	9.7	11.2
Sugar	1.02	3.83	1.3	1.3	0.9
Tobacco	0.2	0.07	1.26	0.9	0.6
Cotton lint	0.91	-0.13	-3.46	-4.2	-5
Pulses	0.02	-0.23	-0.34	-0.3	-0.4
Bananas	0.28	1	2.64	3.5	4
Coffee	1.78	9.49	9.77	11.1	12.4
Cocoa	0.48	3.3	2.82	3.6	4.2
Tea	0.48	0.85	1.39	1.5	1.7
Rubber	0.89	2.91	2.54	3.1	3.7

Source: FAO, <http://www.fao.org/3/y4252e/y4252e11.htm>

The forecast is that developing countries will become significant net agriculture importers, with a trade deficit of almost US\$35 billion by 2030.

### 1.3 AFRICA CONTINENTAL AGRICULTURE SECTOR REVIEW

Agriculture is Africa's biggest employer. In Eastern Africa, 70% of the population and most people living in extreme poverty make a living from farming. According to NEPAD agricultural production in Africa has increased steadily with its value almost tripling (+160%)<sup>4</sup>.

<sup>4</sup> NEPAD. November 2013. African agriculture, transformation and outlook.,



Agriculture in Africa is focused primarily on national markets. Nonetheless, regional trade is increasing due to the emergence of free trade areas. A few countries have developed cash crops (tropical products) to export outside the continent, mainly to the European Union, which grants them trade preferences. All African countries import food from the international market with varying degrees of dependence. Between 2007 and 2011, 37 African countries were net importers of food and 22 were net importers of agricultural raw materials<sup>4</sup>.

Africa is dominated by family farming, which relies mainly on family labour. The Continent has 33 million farms of less than 2 hectares, accounting for 80% of all farms<sup>5</sup>. However, there has been very little improvement in production factors (labour and land). Agricultural growth in Africa is generally achieved by cultivating more land or by mobilizing a larger agricultural labour force, which unfortunately produces very little improvement in yields.

With the dual effect of the loss of competitiveness of African agricultural products in international markets and the rise of the extractive industries, African agricultural product exports have fallen by half since the mid-1990s. These exports have several special features. They are comprised of a very small number of products: cocoa (which alone accounts for 70% of the continent's agricultural exports), coffee, tea, cotton, sugar, fish and shellfish. They also include exports of fruits (pineapple and bananas). With the exception of cocoa, for which Africa is the main producer, the continent is unable to influence international prices (remains a price taker) as would have been expected. Imported products represent 1.7 times the value of exports. Africa therefore imports products that compete with its own: meat, dairy products, cereals and oils<sup>4</sup>.

Despite available water resources, a very small proportion of land is under irrigation. With no water management (only 6% of cultivated land is irrigated, most of which is in five countries: South Africa, Egypt, Madagascar, Morocco and Sudan), yields are determined by climatic conditions. This uncertainty influences the strategies adopted by farmers, who are reluctant to invest in intensive agriculture. This variability across the continent does not change the general trend: despite growth, agricultural production has been unable to meet the higher and more diversified food requirements of the population. In many countries and regional blocs, population growth has exceeded growth in

---

<sup>5</sup> Shimeles A., Verdier-Chouchane A., Boly A. (eds) Building a Resilient and Sustainable Agriculture in Sub-Saharan Africa (2018).

agricultural production. Thus, food deficits have increased in countries that have traditionally been importers of food (North Africa and countries that export mining products), while countries that have traditionally been self-sufficient have struggled to maintain this status<sup>6</sup>.

Africa's natural potential is under threat. Many farming systems are struggling to replenish soil fertility due to the lack of investment capacity and secure land tenure, which would enable changes to farming practices (slash and burn, the use of animal manure). The difficulty of obtaining seasonal credit to buy fertilizers and an occasional lack of accessible information on soil fertility management techniques are further factors. The effects of climate change pose a major risk to the future of African agro-ecosystems, particularly the most fragile.

Livestock rearing is also constrained by restrictive health standards. Livestock farming is largely dependent on pastoral systems, which are the only systems that add value to semi-arid areas. These pastoral and agro-pastoral systems are vital to North Africa, West Africa, East Africa and Central Africa. Moving livestock according to seasonal changes and the availability of fodder is the main method of securing feed for large herds. These livestock rearing systems supply traditional slaughter subsectors. Despite their profitability, they are often deemed incapable of meeting market requirements. Along with the challenges of mobility in a context of ever increasing cultivated areas and reduced rangeland, these problems pose a major threat to pastoralism<sup>7</sup>.

According to Alliance for a Green Revolution in Africa (AGRA), agriculture is key to Africa's future. The continent has most of the world's arable land yet it is still producing too little food and value-added products. Sixty five percent of the arable land is in Africa. All is not lost however as most African governments have initiated the reforms necessary to unlock agriculture's potential. These reforms encompass access to land, new technologies, extension services, market access, access to finance, and private sector investment facilitation<sup>8</sup>.

---

<sup>6</sup> FAOSTAT. (2011). <http://faostat.fao.org>.

<sup>7</sup> U.S. Department of Commerce | International Trade Administration  
<https://www.export.gov/apex/article2?id=Kenya-Agriculture>

<sup>8</sup> AGRA. (2018). *Africa Agriculture Status Report: Catalyzing Government Capacity to Drive Agricultural Transformation* (Issue 6). Nairobi, Kenya: Alliance for a Green Revolution in Africa (AGRA).

Central to accelerating agricultural growth is improving the productivity of the small-scale commercial farmer—above subsistence level, but not urban-oriented like the large-scale farms, and producing approximately 85% of agricultural output. In Africa today, evidence shows that family farms can be competitive in terms of production costs when compared with large-scale farms. They are often competitive in the domestic market but less so in global markets owing to recurring obstacles in supply and marketing due to high transaction costs and incomplete markets. Being based on labor-intensive investments and production methods, family farms have the largest capacity to absorb the rapidly growing labour force and to integrate young people, provided that attention is paid to improving working conditions and incomes, and that access to land and management are secured. Family farms also have a high potential to link to agro-industry as they have more labor-intensive techniques and higher local value added.

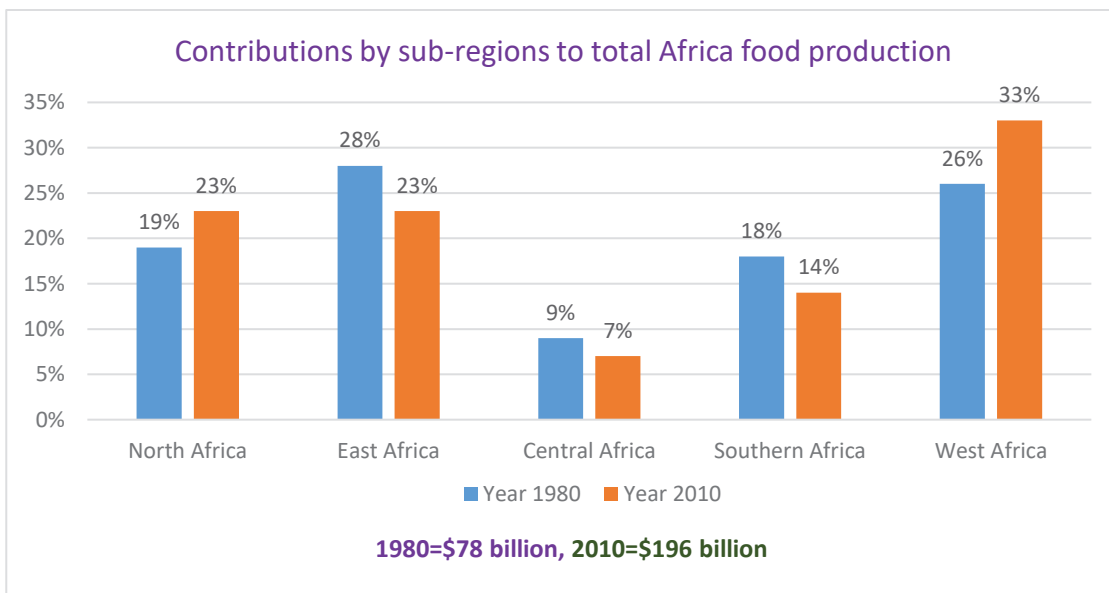


Figure 1: Africa Regional contribution to total food production

Source: NEPAD. November 2013. African agriculture, transformation and outlook.

#### 1.4 AFRICA AGRICULTURE RESOURCE STATUS

Competing demands for land, population and livestock pressure, illegal timber exploitation, including wood biomass for energy, continue to drive deforestation, land degradation and desertification. Forest cover trends in Africa (2001-2013) show more than 10% loss in tree cover compared to 2000. Desertification already affects 2/3 of Africa’s land and 65% of its population. Land degradation also causes economic losses while smallholders are quite vulnerable and are often amongst the first to be affected. Agricultural growth in many African countries happens largely through expansion of



agricultural areas rather than through sustainable intensification thereby clearing natural vegetation through deforestation and triggering biodiversity loss, including loss in seeds varieties. While in many African countries large scale farmers are engaged in producing certified seeds, access to improved seeds continues to be a challenge. Agroforestry also has a great potential to contribute to growth and jobs, food security, resilience, environmental sustainability and climate action. It needs to be promoted, alongside protection of forests and agro-biodiversity

Africa has about one-third of the world's major international water basins, however it is still the second driest continent of the world, with great disparities due to spatial and temporal rainfall and groundwater variabilities thus irrigation is a common practice on over 12 million ha (6% of the total land under cultivation), with agriculture currently accounting for about 85% of the water withdrawn from rivers and lakes. Efforts need to be made to improve sustainable water management as well as sustainable water infrastructure to avoid soil degradation. Africa's irrigation potential is constrained by limited financial resources for water infrastructure, and inadequate human and technical capacities. Furthermore, estimates often do not exist about the amount of water available making it difficult to manage water resources. Developing water infrastructure, taking into account socio-environmental impacts remains a big challenge.

### **1.5 AFRICA CONTINENTAL AGRICULTURE TRADE**

Africa lost its status as a net exporter of agricultural products (food included) during the early 1980s when prices of raw commodities (mainly coffee, cocoa and spices), which constituted the bulk of its agricultural export revenues, tumbled and local food production grew sluggishly. Since 1980, agricultural imports have grown consistently faster than agricultural exports and in 2007 reached a record high of USD 47 billion<sup>5</sup>, yielding a deficit of about USD 22 billion. According to FAO, data from 2007 shows that only about one-third (19 out of 53) of African countries had enough agricultural export revenue to pay for their food import bills, and the rest had to draw money from other resources or wait for food donations to ensure a stable food supply. In countries like Burundi, Cap Verde, Comoros, Djibouti, Eritrea, Gambia, Sao Tome and Principe and Somalia, the total export revenues of total merchandise (agriculture and non-agriculture) were far short of agricultural (including food) import bills.

Table 2: Shares of Africa's food trade (2004 -2007 average)

Commodity category	World	Africa		World	Africa	
	million USD		% of intra-trade	million USD		% of intra-trade
Cereals	975	656	67.3	10546	643	6.1
Oils and Fats	82	34	42	409	46	11.3
Oilseeds	952	238	25	2 706	218	8
Dairy products	229	127	55.4	2320	168	7.2
Meat and meat products	334	195	58.5	1312	86	6.6
Sugar	1364	506	37.1	1830	367	20
Vegetables and fruits	4599	365	7.9	1864	428	23
Beverages	978	306	31.3	804	203	25.2
Live animals	347	212	61.1	196	54	27.8
Coffee, cocoa, tea	5147	513	10	842	344	40.8
Spices	179	20	11	117	34	28.9
Miscellaneous food products	2334	253	10.8	1353	302	22.3
<b>Total</b>	<b>17520</b>	<b>3423</b>	<b>19.5</b>	<b>24299</b>	<b>2892</b>	<b>11.9</b>

Source: FAOSTAT. (2012). <http://faostat.fao.org>.

Between the years 2004-2007 only one-fifth of African food exports stayed in Africa, whereas 88 percent of Africa's total agricultural imports originated from outside the continent. However, the share of intra-trade of food over the total food trade varied greatly among commodities and was high in some cases. Cereals, live animals, meat, and dairy products were the most intra-exported food products, representing 67, 61, 58 and 55 percent respectively out of Africa's total export of these products. Conversely, 92 percent of the exports of fruits and vegetables, 90 percent of coffee, cocoa, and tea, and 89 percent of spice went outside the continent. Africa's main agricultural import origins and export destinations have been the European Union and Asia especially China, India, and Japan.

## 1.6 KENYA AGRICULTURE SECTOR REVIEW

Agriculture plays a major role in Kenya's economy being the backbone of the economy and also taking a critical pillar to the country's development strategy. It is estimated that more than 75 percent of Kenyans' livelihoods depend on agriculture, and that the sector accounts for more than a fourth of Kenya's Gross Domestic Product (GDP). Although its share of GDP has declined from more than two-fifths in 1964 to less than one-fifth in the early 21st century, agriculture supplies the manufacturing sector with raw materials and generates tax revenues and foreign exchange that support the rest of the economy.

Agriculture remains vital to Kenya's economic growth. It is vital to the country's food security and poverty reduction efforts. Since the vast majority of Kenya's poor depend on smallholder agriculture for their livelihood, increasing their productivity can contribute at once to improving food availability, increasing rural incomes, lowering poverty rates, and growing the economy. Putting more certified seeds, fertilizers, and other inputs into the hands of farmers and pastoralists and finding ways to link them more directly to markets are among the key thrusts of current sector development policies.

Despite Kenya's strong commitment to agriculture, sectoral growth remains well below the 6 percent target, and meaningful gains in productivity and in rolling back rural poverty have been slow. The Economic Survey 2014 shows that the agriculture sector grew by a mere 2.9 percent in 2013, down from 4.2 percent a year earlier. Moreover, Kenya continues to rely heavily on imports to feed its growing population amid a widening structural imbalance in key food staples.

According to World Bank, shifting weather patterns, population growth, changing demographics, increasing market integration, political instability, and other domestic and external pressures are making Kenyan agriculture more vulnerable while exposing it to higher levels and incidences of risk. Adverse impacts from droughts, floods, pest, and disease outbreaks, and other shocks repeatedly disrupt sector activities, jeopardizing incomes as a result stifling sector growth<sup>9</sup>.

### **1.6.1 Crops and Land Development Subsector**

The crops and land development subsector is predominantly characterized by small-scale farming, mainly in the high-potential areas. Small-scale farming in Kenya accounts for 75 per cent of the total agricultural output and 70 per cent of marketed agricultural produce. Small-scale farmers produce over 70 per cent of maize, 65 per cent of coffee, 50 per cent of tea, 65 per cent of sugar, and almost 100 per cent of the other crops. Production is carried out on farms ranging in size from 0.2 ha to 3 ha, for subsistence and commercial purposes. Currently, the use of improved inputs such as certified seed, fertilizer and pesticides or machinery is low.

Large-scale farming is practiced on farms averaging 50 ha. It accounts for 30 per cent of marketed agricultural produce. Large-scale farmers mainly grow tea, coffee, horticultural crops, maize and wheat.

---

<sup>9</sup> Kenya Agricultural sector risk assessment, World Bank, 2015.



Sustained high use of inputs and better management have ensured that these farmers have higher yields than their small-scale counterparts

Great potential exists in the crops and land development subsector to realize high quality crop production however, the current policy environment is not supportive of private sector-led agricultural development. Multiple and complex laws and regulations have evolved in the agricultural sector, which constrain investment in a liberalized economic environment. For instance, new and extremely elaborate regulations in the tea and other crop subsectors require significant discussions prior to implementation.

### **1.6.2 Livestock Subsector**

The livestock subsector contributes 7 per cent of the GDP. Animals are a source of food, more specifically protein for human diets, income, employment and foreign exchange. Livestock also provide draught power, organic fertilizer for crop production and a means of transportation. Increasing population, income growth and urbanization are boosting demand for food of animal origin. The world aggregate meat consumption will increase to 327 million tonnes by 2020 from 209 million tonnes in 1997, and milk consumption to 648 million tonnes from 422 million tonnes over the same period.

The livestock subsector faces many challenges and constraints that have had a negative impact on the rate of livestock development key among them is a weak policies and legal frameworks. The policy and legal environment in the livestock subsector requires updating to realign it with current goals and challenges in the local, regional and international spheres. Much of the legislation has not been updated in a long time, rendering them ineffective and difficult to implement. An eminent example is the revised version of the National Livestock Policy that is yet to be sanctioned by Cabinet several years after review. A similar situation obtains with respect to other livestock related policies including the Veterinary, Animal breeding and Animal feed have not been concluded. Areas of intervention for policy and legal reforms include national policies for livestock, poultry, livestock breeding, animal disease control, animal welfare, apiculture, dairy development, animal feedstuff and veterinary pharmaceuticals.

Poverty-reducing opportunities for livestock development have not been tapped into. In the high-rainfall areas, there is immense potential to develop the dairy, poultry and pig industries. The ASALs

are richly endowed with natural resources that can be used to develop meat, honey, gum and resin, and emerging livestock industries.

### 1.6.3 Fisheries subsector

The fisheries subsector plays an important role in the national economy, providing economic support to about 80,000 people directly and about 800,000 indirectly. In 2006, it contributed 0.5 per cent of the GDP. The subsector's growth was estimated at 4.1 per cent in 2005. In the same year, 158,670 tonnes of fish valued at over KES 8 billion was produced. Fish exports in 2005 earned the country approximately KES 5 billion<sup>9</sup>.

Kenya's aquatic ecosystem and species are prone to diverse anthropogenic threats. Pollution, uncontrolled water abstraction, deforestation, siltation, and unregulated physical developments have serious and significant impacts on the breeding areas of coastal and inland waters. The proliferation of alien aquatic flora and fauna invasive species threatens sustainability of indigenous species.

Until 1999, the rules and regulations governing Kenya's coastal and marine environment were scattered in numerous sector-based statutes. The institutions mandated to deal with the sector had overlapping roles, and many had limited competencies. However, in 1999 Kenya enacted the Environmental Management and Co-ordination Act (No. 8 of 1999), which came into effect on 14 January 2000. The Act makes direct reference to the coastal and marine environment and inland waters and wetlands. The Act established key environmental institutions, including the National Environment Management Authority (NEMA). The Coast Development Authority Act (Cap 449) provides for the establishment of an Authority to plan and coordinate the implementation of development projects in Coast province and the Exclusive Economic Zones (EEZ) and for connected purposes. With respect to fisheries, the Fisheries Act vests authority in the Director of Fisheries and accords a minimal role to communities. The limited reference made to fisher folk in the Act relates especially to regulations associated with harvesting and trading fish, with no mention for the role of the fisher folk in resource management.

The absence of a comprehensive policy framework has in the past led to underfunding, understaffing and underestimates of the statistics in the sector. This is also exacerbated by the fact that the country has not domesticated United Nations Convention of the Laws and Sea (UNCLOS) which has further denied the country the appropriate governance regimes for optimal exploitation of oceans and fisheries sector. To mitigate these anomalies, the government adopted new approach that brings

together fisheries and the blue economy, and taking into cognizance the importance of the sector to fuel the country's economic growth, created the State Department for Fisheries and the Blue Economy. To strengthen fisheries governance for sustainable utilization and enhanced revenues for the government and employment creation, the government enacted the Fisheries Management and Development Act 2016 in September 2016. The Act established institutions that would strengthen the governance of the fishing industry and aquaculture, and enable investments along the fishery value chains for socio-economic benefits. The institutions established include the Kenya Fisheries Service, Kenya Fish Marketing Authority and the Fish Levy Trust Fund.

#### **1.6.4 The Cooperatives Subsector**

Agricultural marketing cooperatives constitute 49 per cent of all cooperatives with over 4 million members out of the entire membership of 7 million countrywide<sup>10</sup>. These institutions are vital for agricultural development as they own a national network of storage and distribution facilities for agricultural inputs such as fertilizer, seed, chemicals and equipment. Cooperative societies have traditionally facilitated aggregation of members' input requirements and then purchased them centrally to create economies of scale and save on costs to individual members.

All cooperatives are governed by the Cooperative Societies' Act (2004). However, the Act was amended before the cooperative development policy was revised and it is therefore not consistent with the provisions of the policy. In its current form the Act has a number of gaps and omissions such as lack of a clear way to effectively cater for all categories of cooperatives. The Government has enacted the SACCO Societies Act and a SACCO Societies Regulatory Authority (SASRA) is already in operation.







## 2.0 POLICIES GOVERNING AGRICULTURE

### 2.1 POLICIES AT GLOBAL LEVEL

Global policies often influence or have a direct impact on continental, regional and national policy initiatives. For instance, the adoption of the Eight Millennium Development Goals (MDGs) in 2000 brought agriculture and rural development into sharp focus with its emphasis on MDG one (elimination of extreme poverty and hunger) consequently thrusting agriculture back into the global development agenda. The emergence of the Global Agenda 2030 more commonly known as the Sustainable Development Goals (SDGs) in 2015 as a successor to the MDGs was a major improvement as it broadened coverage by taking an integrated approach to bring poverty to an end while ensuring that the planet is protected and that prosperity and peace accrues to all people by 2030. By recommitting to end poverty and reduce global hunger to zero as the first and second of the Seventeen (17) SDGs, it is clear that agriculture and rural development are still critical in the global agenda<sup>11</sup>.

### 2.2 POLICIES AT CONTINENTAL LEVEL

Agricultural policy in Africa developed very differently from that in Europe. Africa generally never had a ‘common agricultural policy’, involving a common organization of markets and rules on trade. Instead, African countries developed their own national agricultural policies and strategies. In the 1980s, many African countries, similar to developing countries in other regions, taxed their agricultural sectors rather than subsidized them. They applied overvalued exchange rates to agricultural exports, thus depressing prices and returns to their farmers, while simultaneously subsidizing food imports. These policies led to low growth of the agricultural sector and the wider economy. The situation changed during the 1990s, with increased global commodity prices, macroeconomic reform which reduced the number of countries with overvalued exchange rates, and agricultural sector reform. These various factors contributed to an increase in domestic prices for farm outputs and income.

Among the key Continental policy documents, the current pace setter is the Africa Agenda 2063<sup>12</sup> with its seven (7) aspirations that prescribe Africa’s chosen development path. It is critical to note that the first Aspiration in Agenda 2063 emphasizes a prosperous Africa based on inclusive growth and sustainable development. This aspiration embeds transformed economies (STI driven Manufacturing/Industrialization and Value Addition) and modern agriculture characterized by increased production and productivity.

---

<sup>10</sup> Government of Kenya agricultural sector development strategy 2010–2020.

brought agriculture and rural development into sharp focus with its emphasis on MDG one (elimination of extreme poverty and hunger) consequently thrusting agriculture back into the global development agenda. The emergence of the Global Agenda 2030 more commonly known as the Sustainable Development Goals (SDGs) in 2015 as a successor to the MDGs was a major improvement as it broadened coverage by taking an integrated approach to bring poverty to an end while ensuring that the planet is protected and that prosperity and peace accrues to all people by 2030. By recommitting to end poverty and reduce global hunger to zero as the first and second of the Seventeen (17) SDGs, it is clear that agriculture and rural development are still critical in the global agenda<sup>11</sup>.

## 2.2 POLICIES AT CONTINENTAL LEVEL

Agricultural policy in Africa developed very differently from that in Europe. Africa generally never had a ‘common agricultural policy’, involving a common organization of markets and rules on trade. Instead, African countries developed their own national agricultural policies and strategies. In the 1980s, many African countries, similar to developing countries in other regions, taxed their agricultural sectors rather than subsidized them. They applied overvalued exchange rates to agricultural exports, thus depressing prices and returns to their farmers, while simultaneously subsidizing food imports. These policies led to low growth of the agricultural sector and the wider economy. The situation changed during the 1990s, with increased global commodity prices, macroeconomic reform which reduced the number of countries with overvalued exchange rates, and agricultural sector reform. These various factors contributed to an increase in domestic prices for farm outputs and income.

Among the key Continental policy documents, the current pace setter is the Africa Agenda 2063<sup>12</sup> with its seven (7) aspirations that prescribe Africa’s chosen development path. It is critical to note that the first Aspiration in Agenda 2063 emphasizes a prosperous Africa based on inclusive growth and sustainable development. This aspiration embeds transformed economies (STI driven Manufacturing/Industrialization and Value Addition) and modern agriculture characterized by increased production and productivity.

---

<sup>11</sup> <https://www.undp.org/content/undp/en/home/sustainable-development-goals/background.html>

<sup>12</sup> [https://au.int/sites/default/files/documents/33126-doc-03\\_popular\\_version.pdf](https://au.int/sites/default/files/documents/33126-doc-03_popular_version.pdf)



In 2003, the AU adopted the Maputo Declaration<sup>13</sup> with the attendant Comprehensive African Agricultural Development Policy (CAADP) as Africa's policy framework for agricultural development. These represented a set of broad principles and broadly defined strategies for agricultural policy. Member States signing up to CAADP Compact committed to allocating at least 10% of public expenditure to the agricultural sector and sought to achieve 6% annual growth in agricultural output.

In June 2014, as Heads of State and governments came together in Malabo, Equatorial Guinea for the 23rd AU Assembly, they reiterated that agriculture and food security was still at the top of their agenda. But this time around, they cast their view also to beyond the sector, in the hope of more effectively addressing the obstacles that continue to beset agriculture growth. The Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods<sup>14</sup> reaffirms the central commitment of the Maputo era, namely to allocate 10% of public resources to agriculture. It also specifies more clearly a range of commitments in agriculture, such as increased irrigation and mechanization or in the form of curtailing post-harvest losses.

The Malabo Declaration also focuses on increased inter and intra African trade through the establishment of the African Continental Free Trade Area (AfCFTA) that is in the process of being launched in the course of 2020. This is expected to be a boon for the agriculture private sector actors all across the continent.

The Malabo Declaration requires more commitment especially with the adoption of the Biennial Review in the form of the Africa Agriculture Transformation Scorecard (AATS)<sup>15</sup> that provides an abridged Monitoring System (MS.s) for AU Member states' performance in transforming the MS's respective agriculture sectors.

### 2.3 POLICIES AT REGIONAL LEVEL

The Common Market for Eastern and Southern Africa (COMESA) was formed in 1994 as a Preferential Trade Area (PTA), trading on reduced tariff rates. This treaty advocated for cooperation in agriculture and rural development, with the goals of enhancing regional food security through

---

<sup>13</sup> <https://www.nepad.org/caadp/publication/au-2003-maputo-declaration-agriculture-and-food-security>

<sup>14</sup> [https://www.resakss.org/sites/default/files/Malabo%20Declaration%20on%20Agriculture\\_2014\\_11%2026-.pdf](https://www.resakss.org/sites/default/files/Malabo%20Declaration%20on%20Agriculture_2014_11%2026-.pdf)

<sup>15</sup> Biennial Report: Country Performance Reporting Template on progress made for implementing the June 2014 Malabo Declaration, CAADP, 2018

regional food self-sufficiency, increase in crop productivity, livestock, fisheries and forestry for domestic consumption, exports within and outside the common market and access to farm inputs. These were to be achieved through harmonization of agricultural policies, research, extension and the exchange of information, agro-meteorology and climatology, production and supply of food products.

The COMESA Protocol on the rules of origin set out the originating criteria for goods traded in the Free Trade Area (FTA) and the Preferential Trade Area (PTA) trading arrangements. The protocol for transit trade and transit facilities provides levy and duty free transit of licensed carriers within the region. Also provided are transit procedures, including cross-border procedures, expanded opportunities for agricultural production, enhanced regional food security, increased regional trade and expanded agro-exports through research, value addition and trade facilitation<sup>14</sup>

The Key recommendation of COMESA to its member states that at least 10 per cent of countries' public budgets be allocated to the agricultural sector for increased investment.

The East African Community (EAC) has regional agricultural trade policies that impact on the five member states of Burundi, Kenya, Rwanda, Tanzania, and Uganda. The launch of a customs union in the EAC region in 2005, and its coming into force in 2010 has had an impact on the partner states' agricultural trade policies. The Customs Union Protocol (EAC Secretariat, 2004) provides for the elimination of customs duties and other charges of equivalent effect, reduction of non-tariff barriers to trade among the partner states and establishment of a Common External Tariff (CET) applicable to all goods imported into the partner states' third countries.

The EAC Agriculture and Rural Development Policy (EAC - ARDP) was initiated to enforce hunger elimination and sustainable food security within the region. The main objectives of this strategy are to achieve food security, improve nutrition standards by increasing output, quality and availability of food; and to encourage rational agricultural production while promoting complementarity and specialization. The EAC - ARDP was to act as a stimulus for rational agricultural development, as well as the realization of the aspirations of the treaty establishing the EAC.

The Intergovernmental Authority on Development (IGAD) through the Food and Agriculture Organization (FAO) of the United Nations (UN), with the financial support of the European Commission (EC), initiated the Ending Drought Emergencies Country Programming paper that in Kenya culminated in the National Drought Management Authority (NDMA).

The main purpose of this initiative is to strengthen the capacity in IGAD, its member states, and other regional organizations and stakeholders, to formulate and implement livestock sector and related policies that sustainably reduce food insecurity and poverty.

#### **2.4 POLICIES AT NATIONAL AND COUNTY LEVELS**

Agriculture is a predominantly private sector activity, including farming, input supply and marketing businesses. However, the success of these private sector institutions, and hence of the agricultural transformation, is determined by government (national and county) institutions, investments, and policies. Favorable developments in these areas bring rapid agricultural growth and the attendant benefits.

The country has undertaken various policy reforms from the independent period to now<sup>16</sup>. Upon attainment of independence in 1963, the economic aims of the new government were set out in the Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya. The main thrust of this strategy was promotion of rapid economic growth through public sector programmes, encouragement of both smallholder and large-scale farming and the pursuit of accelerated growth of private sector investment. The policy envisaged concentration of agricultural investment in high rainfall areas.

In 1983, a new approach referred to as the District Focus for Rural Development (DFRD) was introduced. The DFRD made the district a center of planning, implementation and management of rural development. Prioritization of programmes and projects in agriculture were done through district structures such as District Agricultural Committees (DACs) and District Development Committees (DDCs).

In the early 1990s Structural Adjustment Programmes (SAPs) which were a series of economic and political reforms initiated by the Bretton Woods Institutions (World Bank and International Monetary Fund) in developing countries with the aim of enhancing economic growth and development were implemented in Kenya. They were articulated in the Sessional Paper No. 4 of 1980 on Economic Prospects and Policies and later elaborated in Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth which acted as the blueprint for the implementation of SAPs. The

---

<sup>16</sup> Draft Kenya National Agricultural Policy (2016)



reforms led to significant changes in agriculture including restructuring of agricultural institutions, liberalization of product prices, and privatization of services and retrenchment of public servants some of whom served in critical areas in the Sector.

In June 2000, Kenya adopted the interim Poverty Reduction Strategy Paper (PRSP). In addressing agricultural objectives, PRSP developed a framework for implementation of key priority programmes and projects aimed at addressing core poverty in the rural areas that were, and still are, almost entirely dependent on agriculture. PRSP provided for mobilization of resources for investment in agriculture from development partners and local sources.

The Strategy for Revitalizing Agriculture (SRA) was launched by the Government of Kenya in March 2004. The Strategy entailed a unified agricultural sector response towards the support of the Economic Recovery Strategy for Wealth and Employment Creation (ERS). It represented the National policy for steering the revitalization and development of the country's agricultural sector over the period 2004 to 2014. The overriding goal of the SRA was to achieve progressive reduction of unemployment and poverty in Kenya.

Upon expiry of the ERS in 2007, the country developed and adopted the Kenya Vision 2030<sup>17</sup> as the country's development blue print covering 2008 to 2030 whose primary goal is to transform the country to a newly industrializing "middle income country, providing a high quality of life for all its citizens by the year 2030". It aspires to foster achievement of the United Nation's Millennium Development Goals (MDGs), which have now transformed to the Sustainable Development Goals (SDGs). In order to achieve Vision 2030, the agricultural sector is expected to continually grow at minimum of 7% annually. This growth will be achieved through implementation of the agricultural sector flagship projects whose success is hinged on a sector-wide policy direction. The flagship projects are: enactment of the Consolidated Agricultural Reform Bill; fertilizer cost-reduction investment; Disease-Free Zones; land registry; Land use master plan and ASAL development projects.

In 2010, to conform to the CAADP requirements as espoused in the signed Kenya CAADP Compact, the Agricultural Sector Development Strategy (ASDS 2010 – 2020) was developed as the overall National policy document for the agricultural sector. The ASDS defined the characteristics, challenges,

---

<sup>17</sup> Vision 2030, Ministry of Devolution and Planning, 2013, <http://vision2030.go.ke/>

opportunities, vision, mission, strategic thrusts and various interventions that the Sector was to undertake to propel agricultural growth and development. Its main thrust was to transform agriculture into a modern and commercially viable sector. The ASDS domesticated Comprehensive Africa Agriculture Development Programme (CAADP) whose overall goal was to help African countries reach a higher path of economic growth through agriculture-led development which eliminates hunger, reduced poverty and food insecurity and enables expansion of exports.

With the advent of the new Constitution 2010 and the consequent devolution of agriculture and other services to the Counties, the ASDS became moribund and had to be reviewed. This resulted in the development of the Agriculture Sector transformation and Growth Strategy (ASTGS)<sup>18</sup> and the National Agriculture Investment Plan (NAIP) that are more private sector oriented to guide Kenya's agriculture transformation agenda.

In recognizing that ASTGS and NAIP respectively emphasize public investments, Kenya has acceded to CAADP's private sector investment initiative under the Country Agribusiness Partnership Framework (CAP-F) by incorporating the Kenya Agribusiness Partnership Framework (KAP-F)<sup>19</sup> as a vehicle for mobilizing private sector investment. The government has recently undertaken to drive KAP-F through the Agriculture Transformation Office (ATO).

The current prime movers of the agriculture sector are the county governments through the County Integrated Development Plans (CIDPs) that are central to any substantive intervention to have effect. However, many CIDP formulation processes require streamlining to ensure that they are founded on initial sector plans.

More recently in 2017, the government developed and is implementing the Big Four (4) Agenda<sup>20</sup> that focuses on Food security, manufacturing, universal health and housing. It is evident that agriculture is still at the core of government development objectives in view of food security and manufacturing (value addition) being at the center of the Big Four agenda and requires significant private sector involvement.

---

<sup>18</sup> <https://www.kilimo.go.ke/wp-content/uploads/2019/01/ASTGS-Full-Version-1.pdf>

<sup>19</sup> <https://kilimonews.co.ke/agriculture-policy/agribusiness-partnership-framework-launched-in-kenya/>

<sup>20</sup> [https://devinit.org/documents/54/Report\\_Kenyas-2019-20-budget-and-the-big-four-agenda-a-pro-poor-analysis.pdf](https://devinit.org/documents/54/Report_Kenyas-2019-20-budget-and-the-big-four-agenda-a-pro-poor-analysis.pdf)







### 3.0 EVOLUTION OF AGRICULTURE PRIVATE SECTOR ORGANIZATIONS IN KENYA

#### 3.1 GENESIS AND HISTORICAL BACKGROUND OF AGRICULTURE PRIVATE SECTOR ORGANIZATIONS IN KENYA

The importance of organized and coordinated private sector institutions to advocate for enabling business environment in Kenya dates back to 1946. This was through formation of Kenya National Farmers Union, an entity that focused on voicing the needs and the concerns of the large scale white settler farmers then<sup>21</sup>. Given the growing need for coordinated efforts towards advocating for an enabling business environment, in 1959, the community of manufacturers came together and formed the Kenya Association of Manufacturers<sup>22</sup>. The alliance was determined to have a united front towards confronting and addressing the business policy needs and demands of the manufacturers at the time. Overtime and after independence, the democratic space remained heavily controlled by the government with little input from the private sector actors. Consequently, the 1980s and 1990s, structural adjustment programs rarely had the input of the private sector actors and were government driven. As a result, many businesses collapsed<sup>23</sup>.

The clamor for democracy in the 1990s and 2000s appreciated the need for policy dialogue in the country. During the same time, globally, public-private policy dialogue was gaining momentum. This culminated into greater appreciation of the role of private sector in the country's economic growth. As such, the Strategy for Revitalizing Agriculture (SRA) of 2003, was heavily tied to creating an enabling business environment for the business community given that at the time, Kenya was performing poorly on the index of ease of doing business. It is during this period, 2003, that the Kenya Private Sector Alliance was formed with the aim of organizing and coordinating the private sector

---

<sup>21</sup> Onumah, G. (n.d.). *KENFAP-Kenya in House Research Capacity to Monitor Government Policy*. Retrieved from ESFIM: <http://www.esfim.org/kenfap-kenya-in-house-research-capacity-to-monitor-government-policy/>

<sup>22</sup> *About KAM*. <http://kam.co.ke/about-kam/>

<sup>23</sup> Chege, J., Ngui, D., & Kimuyu, P. (n.d.). *Scoping paper on Kenyan manufacturing*. Retrieved from [https://www.brookings.edu/wp-content/uploads/2016/07/L2C\\_WP25-1.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/L2C_WP25-1.pdf)

actors in the country towards effective engagement with the government for supportive business policies<sup>24</sup>.

The formation of KEPSA created avenues for adopting different strategies in engaging the government. Such initiatives included the establishment of various forums; Presidential Roundtable, Ministerial Stakeholders' Forum, Speaker's Round Table, Council of Governors Forum and Chief Justice Forum. All these were aimed at positioning the private sector actors to negotiate with the government and forge partnerships towards economic reforms. The forums set the stage for the business community engagement with the government on different fronts realizing significant progress in ease of doing business in Kenya. With other sectors realizing significant progress, key agriculture indicators lagged behind including minimal budgetary allocation to agriculture among others. Moreover, the agriculture sector stakeholders recognized agriculture as a unique sector that was contributing significantly to the country's economic development. As a result, other organizations including Kenya Agribusiness and Agro-Industry Alliance, Agriculture Industry Network and Agriculture Council since evolved with the aim of ensuring that the voices of the agriculture sector actors were heard. The aim was to create a unified front yet distinct ensuring that agriculture attracted the requisite attention from the policy makers. On the other hand, many other value chain segment specific BMOs have continued to evolve in efforts to organize the sector.

### 3.2 EMERGENCE OF ASNET

Despite existence of multiple BMOs, realization of agriculture growth and development indicators in the country has been sluggish. This is attributed to lack of coordinated efforts in advocating for agriculture reforms. Their interventions remain largely disjointed characterized by silo approach which in policy advocacy works to their disadvantage. In appreciation of the role and recognition of agriculture sector private sector actors in the new agriculture strategy, Agriculture Sector Growth and Transformation Strategy, there has been a new wave of charting a united front among sector actors in efforts to cause transformation. This culminated into various policy dialogue processes including Agriculture Sector Public-Private Policy Dialogue Conference, Agriculture Industry Forum and

---

<sup>24</sup> KEPSA. <https://kepsa.or.ke/our-history/>

National Agriculture Summit. These events were an indication of a sector ready to reorganize and brought different stakeholders from the sector who devised strategies towards having an effective policy engagement mechanism with the government. These events crystallized into the Agriculture Sector Network as the body organizing and coordinating private sector actors in the country's agriculture arena. ASNET was formed through a very strong partnership of the Kenya Private Sector Alliance (KEPSA), Kenya National Chamber of Commerce and Industry (KNCCI), Kenya Association of Manufacturers (KAM) and the SDG Partnership Platform at the United Nations, with support from the Business Advocacy Fund (BAF), Elgon Kenya Limited, and other partners.

### ***Box 1: Safari Park Declaration on agriculture transformation***

#### **Safari Park Declaration on agriculture transformation**

1. **Role of the Sector in the Economy:** recognition of the large size and contribution of agriculture to the national economy and important delegates resolving to strengthen multi-stakeholder partnerships and advocacy for implementation of ASTGS and advocacy towards attainment of 10% budget allocation.
2. **Formation of an Apex body for the sector:** The formation of an apex body for the sector called Agriculture Sector Network (ASNET) was endorsed by the summit and launched by the Cabinet Secretary, Ministry of Agriculture, Livestock Fisheries and Cooperatives (MOALF&C), Hon. Peter Munya. ASNET primary role was to unite the agriculture sector ecosystem and build greater partnerships and structured engagement framework with the National Government, County Government and all other strategic partners.
3. **The SDG Partnership Platform Window:** The platform convened by the UN was launched by CS Hon. Peter Munya. The SDG Partnership platform window brings together the Government, development partners, private sector and financiers around the food and nutrition program of the BIG 4 Agenda.
4. **Enhancing Competitiveness:** The summit discussed various challenges and interventions presented by the private sector and resolved to implement a rapid result initiative that would unlock the full potential of the sector and enhance competitiveness,
5. **Agriculture as a devolved Sector:** The summit resolved that the ASTGS would be disseminated to the county governments and farmers across all value chains. In addition, ASNET would initiate a very structured devolved engagement approach with each county around the CIDP and focus on the value chains.
6. **The Role of the Cooperative Sector in Transformation of Agriculture:** It was resolved that aggregating our farmers through cooperatives would be enhanced. The summit also resolved to follow up reforms that shall improve the overall governance of the sector.
7. **Youth in Agriculture:** The Summit acknowledged the importance to elevate the role of the youth in the agriculture sector incorporating youth attractive strategies.
8. **Research and Innovation:** The Summit discussed and resolved the need to mainstream and disseminate research, development and innovation already done by research and knowledge institutions.
9. **Harmonization of Sector Focused Efforts:** It was resolved that all projects would be mapped and an information sharing platform formulated to create collaborations and synergy to attain maximum results.
10. **Implementation, Monitoring and Evaluation Framework:** It was resolved that partnership in the sector would be structured to follow various sets of implementation matrices to enhance monitoring and evaluation of sector activities and projects.







ASNET is thus the umbrella body of the agriculture sector in Kenya. It was launched on 26th February, 2020 and heralded the Safari Park Declaration on Agriculture Transformation. It was formed through efforts spearheaded by KEPSA, KNCCI, KAM, SDG's Partnership Platform of the United Nations with support from BAF, Elgon Kenya Ltd, like minded business associations, partners and other stakeholders.

ASNET's definitive role is to coordinate agriculture sector actors in Kenya through various mechanisms to engage in policy advocacy that promotes productivity, competitiveness and attracts investments into the agriculture sector.

### 3.3 BENCHMARKING ASNET

In championing for an enabling environment in agriculture sector transformation, ASNET can borrow heavily from ongoing initiatives to organize and coordinate private sectors actors across the globe. Different experts on development have equally documented best practices worth consideration for ASNET success in realizing its mandate. These best practices include:

#### 3.3.1 Inclusivity and neutrality in approach

The National Action Group (NAG) Forum in Malawi has created a neutral space for policy reform in the country drawing representation from different sector actors including the government, donor and private sector representatives. The actors meet and discuss strategies towards improving the business environment. The forum begun as an ad hoc group in 2001 but has since become a legitimate and recognized tripartite partnership with functional structure. The forum has maintained neutrality through facilitating dialogue between the three partners and by not becoming an organization with a specific agenda. It nonetheless operates a secretariat that enables it to deliver on its functions<sup>25</sup>.

#### 3.3.2 Openness, democracy and flexibility

The presence of two dominant champions of the Zambian policy dialogue process, that is, Ministry of Trade and the Zambia Business Forum (ZBF) respectively, has threatened ownership of the process among partners. Having the right institutions drive the process and allowing for inclusivity in critical.

---

<sup>25</sup> Wanzala-Mlobela, M., & Banda, K. (2018). *Literature Review of Best Practices in Designing and Conducting Public-Private Dialogues (PPDs) in Sub-Saharan Africa (with an emphasis on fertilizer PPDs)*. African Fertilizer and Agribusiness Partnership.

The case of Pakistan in the micro-finance sector was steered by an expatriate and a local in driving the process. They were sensitive to understand when to pull and when to push and when to take a back seat and allow the dialogue to flow<sup>26</sup>.

#### 3.3.4 Champions of change

Rotational hosting of ASNET could be instrumental in facilitating ownership. Further, it is important to have drivers of change who are open to forthright discussions and facilitate knowledge sharing. Champions from all membership bodies must be willing to drive discussions, promote idea generation, invest in time and effort and give ASNET credibility, expertise and publicity. The champion should be persons with good appreciation of business concerns as individual entrepreneur or representative of business community.

#### 3.3.5 Representation

Drawing membership from different stakeholders to allow representation in dialogue processes and enhancing member's capacity for policy engagements is critical in building a strong organization. Ensuring freedom of participation and adequate representation of different constituents is paramount for ASNET's success. Moreover, dominance of large firms should be properly managed.

This affected the Nicaragua national Chamber of Commerce during Nicaragua's Central America Free Trade Area (CAFTA) negotiations which was heavily driven by large firms which mainly focused on their own interests derailing development of open and competitive markets in Nicaragua<sup>27</sup>.

#### 3.3.6 Devolved consultation structures

Ukraine has a devolved governance structure and a high level of informal activity with the informal sector contributing an estimated 60% of the GDP. Ukraine's business association has managed to organize regional level structures that allow informal actors across the different regions input into the agenda and governance of the business community forum<sup>28</sup>.

#### 3.3.7 Strategic advocacy

The advocacy agenda should be issue and evidence based to give ASNET credibility. Moreover, it should be sector based to make it more effective. This allows constituent members to contribute constructively. Further, ASNET should consider starting off with issues less likely to face resistance

---

<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Ibid



from policy makers as it gains traction in the policy space. ASNET should also consider effective member engagement tools that allow it to draw advocacy issues from members and hence ensure ownership of ASNET advocacy process. ASNET could draw lessons from the Enterprise Europe Network (EEN) which seeks to organize, coordinate and support SMEs in advocacy. EEN utilizes member engagement tools such as member envoy, feedback mechanisms and member panels in ensuring it engages members in collecting, consolidating and refining advocacy issues.



### *Box 2: The case of Botswana Confederation of Commerce, Industry and Manpower*

Botswana, since independence, strived to conform to democracy and dialogue in policy processes. The involvement of private sector emerged in the 1970s following deliberate efforts by the government to involve citizens in development processes. During this period business community formed a private sector business organization which is currently known as the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) which draws membership from small business, large firms and multinationals with small business forming 80% of its membership. BOCCIM was mandated to ensure the voice of the business community was integrated in the policy formulation processes. In its early stages, the business community and the government differed on best approaches towards strengthening the businesses through an enabling environment. The diverse in opinion resulted in and the need to harmoniously chart way forward for businesses in Botswana, there stakeholders had a general consensus on the need for collaboration and policy dialogue between the private sector and the policy makers. As a result, BOCCIM organized the first National Business Conference (NBC) which aimed at ensuring incorporation of interests of the business community into the economic policy for their growth and prosperity. The conference emerged with 50 recommendations that was focused on addressing key challenges that were facing the business community. One such recommendation was establishment of a High Level Consultative Council (HLCC) that would be chaired by the Botswana President and would bring together the government and the private sector to discuss and resolve economic and policy bottlenecks for doing business in Botswana. Initially, HLCC faced resistance from the government as it was thought to be infringing on government bureaucracies. BOCCIM persisted and successfully managed to organize NBC overtime. It was after six years that the government accepted the establishment of HLCC. Since its adoption, NBC has become a biennial event organized in collaboration between the private sector (80%) and the government (20%). The conference normally lasts 3 days and implementable solutions generated and recommended. These are presented to the President and are reviewed with those found acceptable and implementable presented to the different government ministries for action. The HLCC monitors implementation and gives implementation feedback report at every NBC. NBC has realized success rate of 80% in implementation of its recommendations.

At NBC, the President normally gives the opening address. NBC has also been drawing participation from experts across the globe as key note speakers. Private sector representation is drawn from business member organizations that represent members of the sector, are knowledgeable about issues affecting the economy, have integrity, are non-partisan, use evidenced based approaches that are clearly documented, exhibit national patriotism and shows how the government and the private sector will share benefits and attributed costs

### 3.4 JUSTIFICATION FOR ASNET STRATEGIC PLAN

To transform Kenyan agriculture, it is imperative to build strong, broad and inclusive coalitions among private sector actors with a commitment for improving policies and sector coordination. All actors across the agricultural product value chain as well as supporters and enablers must work together as important agents of agriculture transformation in the country. However, private sector engagement in the agriculture policy dialogue process has been hampered by a constrained coordination and limited capacity to generate evidenced based issues to facilitate result oriented dialogue with policy makers. Moreover, the agriculture private sector consultation processes have remained largely unstructured, fragmented, lacking adequate follow up and have been further segmented into sub-sectoral issues.

The foregoing anomalies can be addressed through improved private sector legitimacy and representation, enhanced capacity for policy engagement, facilitated knowledge management through evidenced based research on issues affecting agriculture and broadly disseminating the same for information and action. It is therefore critical to institute structured policy dialogue processes and establish accountability mechanisms that focus on policy makers and creates broad and inclusive platforms for agriculture private sector actors to engage and discuss dire issues affecting them.

The identified shortcomings and the vital need for an acceptable agriculture private sector coordination mechanism necessitated the establishment of a platform that will organize and coordinate policy dialogue processes with the government resulting in the formation of ASNET.

ASNET will therefore serve as the agriculture private sector coordinating and policy dialogue platform. The platform will spearhead an impactful policy discourse that will contribute towards the transformation of the agriculture sector by creating strong partnerships for an enabling business environment.







## 4.0 ASNET SITUATIONAL ANALYSIS

The ASNET situational analysis is conducted below using three (3) strategic management tools:

- Strength, Weaknesses, Opportunities and Threats (SWOT);
- Political, Economic, Social, Technological and Legal (PESTEL) and
- Stakeholder analysis.

### 4.1 SWOT ANALYSIS

The ASNET SWOT analysis is indicated in table 3, below. The SWOT Analysis has been expanded to cover strategic implications and strategic responses.

Table 3: ASNET SWOT analysis

<b>Strengths</b>	<b>Strategic Implication</b>	<b>Strategic Response</b>
A widely accepted entity among Kenya's agriculture stakeholders	<ul style="list-style-type: none"> <li>Recognized by the government and other stakeholders</li> <li>operates and functions in Kenya</li> </ul>	<ul style="list-style-type: none"> <li>Lobby and advocate for a better policy environment.</li> </ul>
Established interim governance structure	<ul style="list-style-type: none"> <li>Set Policy direction</li> <li>Operationalize the organization</li> </ul>	<ul style="list-style-type: none"> <li>Organize an elective Annual General Meeting (AGM) to assure bona fide office bearers</li> </ul>
Well defined Strategic direction	<ul style="list-style-type: none"> <li>Clear mandate</li> <li>Define operational structures</li> <li>Enhanced democratization</li> </ul>	<ul style="list-style-type: none"> <li>Operate within the law and satisfying its obligations</li> </ul>
Affiliation to Kenya Private Sector Alliance	<ul style="list-style-type: none"> <li>Collaboration and networking</li> </ul>	<ul style="list-style-type: none"> <li>Develop appropriate networks and partnership with the public sector, Development Partners and other development actors.</li> <li>Partner with BMOs to have a strong voice</li> </ul>
Broad membership categories representing various segment of the agricultural value chain	<ul style="list-style-type: none"> <li>Sector and value chain representation</li> </ul>	<ul style="list-style-type: none"> <li>Ensure inclusive sector representation across and along the value chains.</li> </ul>
Supportive stakeholders	<ul style="list-style-type: none"> <li>Knowledge, information, technology and innovation sharing.</li> </ul>	<ul style="list-style-type: none"> <li>Develop Information, Communication and Knowledge Management strategy</li> </ul>
Information sharing platform	<ul style="list-style-type: none"> <li>Information flow among stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Effectively disseminate information to members and other stakeholders</li> </ul>
<b>Weaknesses</b>		
There is limited level of awareness on agriculture sector policies and implication on agriculture business environment	<ul style="list-style-type: none"> <li>Low levels of awareness of Agriculture sector policies</li> </ul>	<ul style="list-style-type: none"> <li>Conduct sensitization of the existing agriculture sector policies</li> </ul>
Lack of clear strategic orientation	<ul style="list-style-type: none"> <li>Difficult to plan and execute the plan</li> <li>Unable to set targets and set milestones</li> </ul>	<ul style="list-style-type: none"> <li>Develop a strategic plan which defines the road map</li> </ul>



Lack of a functional secretariat	<ul style="list-style-type: none"> <li>• Inefficient service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Set up a functional Secretariat for the organization</li> <li>• Develop operational manuals</li> </ul>
Low membership base	<ul style="list-style-type: none"> <li>• Limited resources and policy influence</li> </ul>	<ul style="list-style-type: none"> <li>• Conductive massive membership recruitment</li> </ul>
Lack of clarity on ASNET's mandate and role	<ul style="list-style-type: none"> <li>• Varied interest among the various stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct consultative fora to validate the profile and ASNET constitution</li> </ul>
Wait and see attitude by potential members	<ul style="list-style-type: none"> <li>• Few registered members</li> </ul>	<ul style="list-style-type: none"> <li>• Define all the potential members and reach out to them</li> </ul>
Resource constraints	<ul style="list-style-type: none"> <li>• Limited programming</li> </ul>	<ul style="list-style-type: none"> <li>• Develop resource mobilization strategy</li> </ul>
<b>Opportunities</b>		
Dissatisfaction of the sector stakeholders with the current status and trend of agricultural development in the country	<ul style="list-style-type: none"> <li>• Ineffective policies and poor sector performance</li> </ul>	<ul style="list-style-type: none"> <li>• Analyze the sub sectors and define clear sector road map in line with ASTGS</li> </ul>
Desire by the sector stakeholders' for an effective coordination framework	<ul style="list-style-type: none"> <li>• Reductive approve where stakeholders operates in Silos</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinate the sector for effective service delivery</li> </ul>
Each segment of the value chains congregating individually to address their own concerns	<ul style="list-style-type: none"> <li>• Ineffective lobby mechanism</li> <li>• Weak voices</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen weak BMOs</li> <li>• Consolidating and coordinating individual organizations</li> </ul>
Recognition by the sector Ministries of the need to have a common platform for engagement with agriculture private sector actors for effective development of the sector	<ul style="list-style-type: none"> <li>• A platform for engagement between the government and agriculture private sector players for broad transformation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Play the role of engagement platform with the sector ministries</li> </ul>
The existing intergovernmental coordination frameworks including IGTRS, CoG, JASCCM	<ul style="list-style-type: none"> <li>• ASNET engagement with the County and National governments</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership framework with existing and new coordination framework</li> </ul>

Need for an established government-private sector driven agriculture coordination mechanism	<ul style="list-style-type: none"> <li>Private sector often left out in making key policy decisions which affects them</li> </ul>	Establish a government-private sector actors in agriculture consultation mechanisms
Inadequate knowledge on policy consultation process among the stakeholders	<ul style="list-style-type: none"> <li>Limited participation of private sector actors in policy formulation process</li> </ul>	<ul style="list-style-type: none"> <li>Build capacity of members' on policy formulation processes</li> </ul>
An array of value chain specific lobby issues exist	<ul style="list-style-type: none"> <li>Quick wins for ASNET engagement with the government.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct in-depth research and documentation for engagement in policy dialogue</li> </ul>
Devolution of agriculture to the counties	<ul style="list-style-type: none"> <li>Need to reorganize consultative engagements to county levels</li> </ul>	<ul style="list-style-type: none"> <li>consolidate major issues from counties for further review at the national level</li> </ul>
<b>Threats</b>		
The current PPP engagement framework in the sector is neither strongly anchored in policy nor is it sufficiently inclusive	<ul style="list-style-type: none"> <li>PPP to be made more inclusive and backed by a legal framework</li> </ul>	<ul style="list-style-type: none"> <li>Lobby for revision of PPP policy to be anchored in law.</li> </ul>
Conflicting and competing interests amongst members	<ul style="list-style-type: none"> <li>Clearly defined mandates</li> </ul>	<ul style="list-style-type: none"> <li>define the mandates of ASNET with all stakeholders</li> </ul>
Membership to other several organizations with mandates perceived as similar	<ul style="list-style-type: none"> <li>Harmonies the mandates to have a common vision</li> </ul>	<ul style="list-style-type: none"> <li>Conduct consultative forum with similar organization</li> </ul>
Perceived duplication of ASNET's mandate and roles	<ul style="list-style-type: none"> <li>Joint representation and leadership</li> </ul>	<ul style="list-style-type: none"> <li>Clearly separate the roles between ASNET and its members BMOs</li> </ul>
Resistance from other similar organizations (perceived competition for the same niche)	<ul style="list-style-type: none"> <li>Understand the organizations in the agricultural landscape</li> </ul>	<ul style="list-style-type: none"> <li>Map all the sector organization and the role they play in the sector.</li> </ul>

High expectations from stakeholders	<ul style="list-style-type: none"> <li>To clearly understand the stakeholders expectations</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a survey to clearly understand the stakeholders expectations</li> </ul>
Agriculture data and information is often neither upto date nor harmonized.	<ul style="list-style-type: none"> <li>Different data sets of the same data and information addressing similar issues causing confusion</li> </ul>	<ul style="list-style-type: none"> <li>harmonize, validate and verify data to inform standard extension messages, and development orientation</li> </ul>

## 4.2 POLITICAL ECONOMIC SOCIAL TECHNOLOGICAL ENVIRONMENTAL AND LEGAL (PESTEL) ANALYSIS

The operations, existence and delivery of ASNET’s mandate will be in a dynamic environment influenced by multiple factors. ASNET will thus endeavour to put these factors into perspective so as to strategically position itself to take advantage of the positive factors as well as devise strategies towards mitigating or adapting to negative factors beyond the organization’s control.

This section presents the political, environmental, social, technological, environmental and legal analysis of ASNET’s operating environment.

### 4.2.1 Political

The Government of Kenya has been working on several initiatives aimed at turning around the agricultural sector: policy reforms, strategic plans and support to producers. The third Medium-Term Plan (MTP III 2018-2022), the Agriculture Sector Transformation and Growth Strategy (ASTGS) and the Big Four (4) Agenda are some of the recent leading programmes put forth by government. These initiatives are either derived from or based on global, continental, and regional agenda such as SDGs, Agenda 2063 and others. In all these initiatives, private sector actors have prominent roles in advancing these agenda.

The Promulgation of the 2010 Constitution brought on new political dispensation where agricultural sector functions were shared between the national and county governments as a consequence of devolution. These functions are described under schedule 4 of the constitution where the agricultural and veterinary policies formulation is a function of the national government while crop and animal husbandry; livestock sale yards; county abattoirs; plant and animal disease control; and fisheries are



county functions. There is therefore need for ASNET to have a clear coordination mechanism between the two levels of the governments to have sustained impact.

The political goodwill that ASNET has received from the current governing regime is critical in ensuring ASNET realizes its mandate in advocating for an enabling environment for private sector actors in the agriculture sector. However, constitutional provisions and governance regime change every five years has significant implications on ASNET's effectiveness in the delivery of its mandate.

#### 4.2.2 Economic

It is universally recognized that the agricultural sector offers the most promising option out of poverty for developing countries in view of its capacity to influence economic growth in the longer term through raising incomes of the poorest segments of the society. However, it's disappointing that over the years, developing countries have lost their ability to service the global agriculture market and forecast that they (developing countries) are already destined to become major net importers of food by 2030 with significant trade deficits even with its limited resources.

The advent of the AfCFTA, the emphasis of Malabo Declaration on accelerating agricultural growth for shared economic prosperity and particularly Aspiration one of Agenda 2063 on securing a prosperous Africa based on inclusive growth and sustainable development as well as CAADP compact requirements all indicate a favorable economic outlook for the agriculture sector in Africa.

The increasing efforts towards regional integration as attested to by the clamor for regional economic blocks and expanding membership especially in COMESA, EAC and IGAD indicate the recognition of the agriculture sector's contribution to economic growth.

At the national level, the prominent role accorded agriculture in Vision 2030, ASTGS, NAIP, CIDPs and other major policy documents and the adoption of PPPs as a key aspect of current economic development models articulate the importance of private sector input in their accomplishment. The devolution of agriculture to the Counties has brought into prominence the need for coordinated efforts among agriculture private sector actors with respect to the detrimental proliferation of multiple taxes and cess as envisaged in the Crops Act No. 16 of 2013 Crops (Food Crops) Regulations 2018.

The sustained transition to agribusiness and value chain development provides an avenue for agricultural transformation that favours private sector growth.

#### 4.2.3 Social

Agriculture makes major contributions to the societal set up given that it is the main source of livelihoods despite facing several challenges. For instance, according to the national population housing census of 2019, the population of youth of ages between 18 and 35 years is slightly above 13 million which is 29 per cent of the entire population. Additionally, women constitute a significant proportion of the productive segment of the population in the sector. The World Bank estimates that between 42% and 65% of the agricultural labor force is comprised of women (WB, 2014), and their share in rural in smallholder/subsistence farming is most prominent while their share of decision making power and profit sharing in the sector lags severely behind their input. For instance, women perform over two-thirds of the work in coffee farming in Kenya, yet fewer than 5 percent of leadership positions in coffee cooperatives are held by women. However, from a social standpoint, youth and women have limited access to productive resources especially land and finance. For instance, social constructs relating to women's roles and subordination to men creates significant challenges to full participation and sharing of returns in the sector. This phenomenon has promoted a negative attitude towards agriculture as a livelihood among the youth and restricted women's participation beyond subsistence farming. Similarly, agricultural labor is normally cheaper compared to other productive sectors like constructions making it unattractive to the youth who tend to migrate to urban centres for perceived better lives.

It is instructive to note that the youth are energetic, better skilled, innovative and can easily transform agriculture production and productivity if they have access to necessary productive resources.

#### 4.2.4 Technological

The current information superhighway wave has seen evolution and advances in science and technology aimed at enhancing human operations and delivery of services as well as development and design of products. Science, technology and innovation are increasingly being recognized as critical to the transformation of African agriculture as evidenced by agricultural research's continued significant contribution to global, continental, regional and national goals. It is clear that science, technology and innovation is affecting how organizations are operating and those that have embraced technology are realizing positive change in terms of their efficiency and effectiveness in service delivery and productivity.

AfDB's Feed Africa Plan has also designed a framework for the development of ICT platforms that support financial transactions, disseminate market information, and support value chain modernization in the agriculture sector. Aspiration number one of Africa Agenda 2063 on a prosperous Africa based on inclusive growth and sustainable development emphasizes education and ICT skills driven revolution coupled with STI driven manufacturing/industrialization and value addition. The AU has further established the Specialized Technical Committee on ICT that is detailed to develop the ICT sector in Africa.

The national ICT Policy makes provisions for the development of ICT and its application in the transformation of agriculture. This phenomenon has stimulated the development of ICT applications in agriculture including the recently launched e-Voucher system on the 28<sup>th</sup> August 2020 by the CS Agriculture, Livestock, Fisheries and Cooperatives that is designed to shift the nationwide agriculture input subsidy programme onto an ICT platform for improved effectiveness and efficiency.

#### 4.2.5 Environment

Agriculture has been and remains under tremendous pressure from environmental activities and concerns. The delicate ecological balance between the environment and anthropogenic (human driven) impacts requires positive mitigating measures that sustain the environment while providing for the pursuit of rewarding economic activities.

In Kenya, increasing seasonal variability manifests in the form of more severe, frequent and prolonged droughts. These effects are exacerbated by erratic and unpredictable rainfall patterns that often result in relentless flooding episodes making agriculture extremely risky. The frequency and intensity of these extreme weather events reduce agricultural productivity and consequently result in declining sector investments.

To mitigate climate change impacts, several initiatives have been adopted. At the global level, the Intergovernmental Panel on Climate Change (IPCC) and the United Nations Framework Convention on Climate Change (UNFCCC) form the basis on which national initiatives are formulated. Accordingly, the Kenya government developed the Environmental Management and Coordination Act to streamline environmental issues. On climate change, the government formulated and is implementing the National Climate Change Response Strategy (NCCRS) and the Kenya Climate Smart Agriculture Strategy (KCSAS). These climate oriented strategies have enabled the government to crystallize its activities through the ongoing World Bank sponsored Kenya Climate Smart Agriculture



Project (KCSAP). The four components of KCSAP are designed to stimulate private sector involvement in up-scaling climate smart agricultural practices, strengthening climate smart agricultural research and seed systems, supporting agro-weather, market and advisory services, project coordination and management and contingency emergency response. Consequently, a large proportion of ASNET Membership is involved in KCSAP.

#### 4.2.6 Legal

At the global, continental and regional levels the legal and regulatory environment come to bear through assented treaties and conventions to which Kenya is a signatory. The more compelling of such treaties and conventions include WTO, OIE, UPOV, CAADP, COMESA, IGAD and EAC that often dictate national legislation.

The agriculture sector, at the national level is governed by many legislations, several regulations and a plethora of regulatory institutions. While significant progress has been made in streamlining the agriculture legal and regulatory environment, there appears to be a predisposition towards policy reversals at the expense of supportive structural reforms required to reduce ineffectiveness or ensure compliance. For instance, initiatives to consolidate agriculture regulatory functions and institutions are yet to be fully realized or even evaluated.

The increasing emphasis on PPPs as postulated in the ASTGS and NAIP demands comprehensive legal, regulatory and institutional reforms to enhance private sector investment in agriculture. This need is dire and urgent with respect to the coordination mechanisms between the national and county governments and among county governments.

Besides, the agriculture related legal and regulatory requirements, ASNET as an entity will be required to comply with or be subject to the Corporate Act, labour laws and tax regimes among others administered by different authorities including Companies Registry Offices, Labour Offices, Bureau of Standards and the Revenue Authority.

### 4.3 STAKEHOLDER FUNCTIONAL ANALYSIS

ASNET will partner and collaborate with organizations and institutions within the following categories in the areas indicated in table 4, below.

**Table 4: Stakeholder Functional Analysis**

Stakeholder Category	Possible Partnership/collaboration with ASNET
<p><b>1. National/County governments</b></p>	<ul style="list-style-type: none"> <li>• Guide on policy formulation and implementation for an enabling environment for private sector actors' participation in agriculture</li> <li>• Capacity building of the producers on technologies, innovations and management practices along agricultural product value chains through provision of extension services.</li> <li>• Development of requisite infrastructure for agriculture sector development</li> <li>• Endorse the established ASNET policy dialogue platforms</li> </ul>
<p><b>2. Consumer organizations</b></p>	<ul style="list-style-type: none"> <li>• Support in capacity building and policy advocacy for food safety issues</li> <li>• Represent consumer interests in ASNET policy discourse</li> </ul>
<p><b>3. Apex Private Sector e.g. KNCCI, KAM and KEPSA.</b></p>	<ul style="list-style-type: none"> <li>• Support ASNET in the organization's inception phase, operationalization of governance and management structure and development of strategic operational documents and policy manuals</li> <li>• Support in membership development including identifying and mobilizing potential members, membership analysis to understand their expectations and developing membership development strategy</li> <li>• Capacity building of ASNET governance and management organs on best practices.</li> </ul>
<p><b>4. Regulatory agencies</b></p>	<ul style="list-style-type: none"> <li>• Development and enforcement of legal frameworks to support adherence to quality standards</li> <li>• Capacity building on quality standards</li> </ul>
<p><b>5. Training Institutions</b></p>	<ul style="list-style-type: none"> <li>• Conducting industry needs analysis and aligning training curriculum to ASNET members' needs</li> <li>• Student placement , internship and attachments</li> <li>• Provide training facilities</li> <li>• Provide experts aligned to ASNET needs</li> <li>• Agriculture industry skills development</li> </ul>
<p><b>6. Development agencies</b></p>	<ul style="list-style-type: none"> <li>• Support in ASNET's policy discourse</li> <li>• Support initiatives towards agriculture sector development</li> </ul>

<b>7. Policy Institutes</b>	<ul style="list-style-type: none"> <li>• Research on agriculture policy issues</li> <li>• Advice on pertinent policy positions</li> <li>• Generate evidence for policy design and implementation</li> </ul>
<b>8. BMOs</b>	<ul style="list-style-type: none"> <li>• Represent their constituents</li> <li>• Identify and document policy issues</li> <li>• Capacity building of members</li> <li>• Information dissemination</li> </ul>
<b>9. Research organizations</b>	<ul style="list-style-type: none"> <li>• Research on agriculture</li> <li>• Development of innovations and technologies for agriculture growth and development</li> <li>• Data generation and custody</li> </ul>







## 5.0 ELEMENTS OF ASNET'S STRATEGIC PLAN

### 5.1 VISION

To be the most influential agriculture private sector actors' umbrella body, voice and champion for transformation.

### 5.2 MISSION

To partner with National government, County governments and Development Partners in transforming and revolutionizing the agriculture sector leading to growth, inclusive wealth and creation of decent jobs.

### 5.3 CORE VALUES

- Accountability
- Complementarities
- Effective consultations
- Honesty
- Inclusivity
- Integrity
- Reciprocity

### 5.4 CORE FUNCTIONS

ASNET aims to realize its strategic orientation through the following core functions:

- Enhance sector-wide coordination of the often fragmented agriculture sector.
- Lead in policy advocacy for competitive and enabling business environment.
- Capacity building of associations/BMOs in the sector.
- Forge greater collaboration & partnership with the national & county governments, development partners, sector associations, international and regional institutions.
- Partner with government to fast-track implementation of sector flagship programmes (e.g. ASTGS, Big 4 Agenda).
- Support the generation and maintenance of relevant research data.





## 6.0 STRATEGIC ISSUES AND OBJECTIVES

ASNET aims at realizing its mandate through pursuing the following objectives:

- Lead in high level advocacy for competitive and enabling environment for the agriculture sector at county, national, continental and global levels.
- Partnership with National and County Governments, development partners to implement ASTGS and also private sector-initiated interventions and growth strategies for value chain development.
- To mainstream finance, trade and investments into the sector.
- Capacity building of Business Member Associations (BMOs) in the sector.
- Capacity building, research, knowledge sharing and strategic support for the advancement of successful enterprises.
- To engage partnerships or memberships with aligned strategic organizations at national, continental and global levels in order to advance the agenda of benchmarking, knowledge and build a competitive advantage of the sector.

To effectively pursue the outlined objectives, ASNET has defined five (5) Strategic Issues that led it to identify corresponding Strategic Objectives and respective Strategic Interventions. All these elements constitute ASNET's strategic direction and are elaborated below.

The ASNET Logical framework (Logframe) and the intervention conceptual logic are shown in Annexes I and II respectively.

### 6.1 STRATEGIC ISSUE 1: MAINSTREAM AGRICULTURE RELATED POLICY, LEGAL, REGULATORY AND INSTITUTIONAL ASPECTS FOR A COMPETITIVE AND ENABLING BUSINESS ENVIRONMENT

#### Rationale

The policy, legal and regulatory environment is perpetually changing and requires tracking and interventions to ensure that it is favorable to the private sector in facilitating increased investment or even to avoid disincentives that may lead to withdrawals. While the national and County governments have developed overarching and sector specific documents including Vision 2030, ASTGS, NAIP, CIDPs among others to guide the development of agriculture it is imperative that these initiatives are subjected to scrutiny by the private sector for consistency and where necessary complimentary proposals are made. The most suitable approach is for the agriculture private sector actors to be involved during the formulation of these documents. ASNET therefore has to position itself so as to play this complementary role by taking the lead in establishing relevant consultative organs.

It is also recognized that some of the critical shocks to the economy that constrain increased private sector in agriculture cannot be easily predicted but requires anticipation, preparation or well perceived responses in order to contain or cope with them. A case in point is the current COVID 19 pandemic that has had debilitating effects on the private sector and the measure recommended by ASNET in its Rapid Results Initiative (RRI).

The foregoing informs the first Strategic Issue and the corresponding Strategic Objectives and Strategic interventions

6.1.1 **Strategic Objective 1.1:** To effectively engage in agriculture policy lobby and advocacy at global, continental, regional, national and county levels (issues, methods, structures/systems, processes, networking and partnerships)

Strategic Interventions:

6.1.1.1 Establish and operationalize effective systems and structures for policy advocacy at County, national, regional, continental and global levels

6.1.1.2 Develop networks and partnerships

6.1.2 **Strategic Objective 1.2:** To improve access to financial services and products by agriculture private sector actors

Strategic Interventions:

6.1.2.1 Develop and propose appropriate financial services and products

6.1.2.2 Design and advocate for favorable credit/loan terms

6.1.3 **Strategic Objective 1.3:** To improve the tax environment in agriculture

Strategic Interventions

6.1.3.1 Harmonization of regional tax regimes

6.1.3.2 Streamlining of national taxes (reduced multiplicity and levels)

6.1.3.3 Harmonization of county/produce Cess

6.1.4 **Strategic Objective 1.4:** To promote increased private sector investment in agriculture

Strategic Interventions:

6.1.4.1 Review investment policies, legislations and regulations to make them private sector friendly

6.1.4.2 Advocate for public sector reforms ( National and County) that facilitate increased private sector involvement in agriculture

6.1.4.3 Rationalization of public expenditure in agriculture (subsidies vs enablers, development vs recurrent)

## 6.2 STRATEGIC ISSUE 2: CONSOLIDATE FRAGMENTED AGRICULTURE PRIVATE SECTOR ACTORS

### Rationale

The agriculture sector has always had numerous but fragmented voices in attempting to make itself heard as previously elaborated in the evolution of ASNET. These efforts are evident in the fact that to date almost each commodity value chain has its own representation. However, this approach diminishes the agriculture sector's voice in any meaningful conversation especially with respect to the private sector needs that transcend individual value chains and in many instances demand a concerted voice. This realization informed the formation of ASNET. While ASNET does not intend to sidestep or overshadow BMOs, it has a major role in consolidating the fragmented voices of the agriculture private sector in centralizing the articulation of critical issues that cannot be effectively conveyed by a single BMO. This can be accomplished by ASNET playing a complementary and reinforcing role to BMOs. This is explained by the following strategic objectives and interventions.

**6.2.1 Strategic Objective 2.1:** To improve the coordination and effectiveness of agriculture private sector actors

Strategic interventions:

- 6.2.1.1 Expand ASNET membership
- 6.2.1.2 Establish ASNET consultative structures and fora
- 6.2.1.3 Establish ASNET advisory organs

**6.2.2 Strategic objective 2.2:** To strengthen and capacitate BMOs as entities

Strategic Interventions

- 6.2.2.1 Institutional strengthening and Organizational Development
- 6.2.2.2 Strengthen BMO leadership, governance and management

**6.2.3 Strategic objective 2.3:** To improve the capacity of BMOs' members

Strategic Interventions

- 6.2.3.1 Conduct business development training
- 6.2.3.2 Conduct technical training





## 6.3 STRATEGIC ISSUE 3: DEVELOPMENT OF AGRICULTURE VALUE CHAINS

### Rationale

Kenya's agriculture sector critically needs a major transformation. This transformation must exhibit structural and process traits that will make it evident and beneficial to both small scale and large scale farmers as well as manufacturers. A transformed agriculture sector is associated with and characterized by specific traits including transition from highly diversified subsistence farming to specialized market oriented enterprises that offer increased value addition prospects and opportunities. It further is manifests in increased input use that translate into increased productivity, profitability and ultimately increased consumption. Accordingly, agricultural transformation informs the following strategic objectives and interventions:

**6.3.1 Strategic Objective 3.1:** To promote increased private sector investment in the development of priority value chains

Strategic Interventions:

- 6.3.1.1 Identification, mapping and analysis of priority value chains
- 6.3.1.2 Strengthen agricultural sector cooperatives
- 6.3.1.3 Increase private sector involvement in extension and advisory services
- 6.3.1.4 Increase investments and access to finance

**6.3.2 Strategic Objective 3.2:** To enhance agricultural research and innovation

- 6.3.2.1 Improve agriculture productivity and profitability
- 6.3.2.2 Increase agriculture research fund outlay
- 6.3.2.3 Expand agriculture research funds eligibility to include private sector
- 6.3.2.4 Support the generation and custody of agriculture data

**6.3.3 Strategic Objective 3.3:** To enhance agriculture value addition

Strategic Interventions

- 6.3.3.1 Provide support to agriculture value adding entities
- 6.3.3.2 Promote the establishment of agro-processing hubs



## 6.4 STRATEGIC ISSUE 4: INCLUSIVITY OF AGRICULTURE SECTOR GROWTH

### Rationale

Agricultural transformation cannot be said to have occurred in a situation where rural development is absent or severely constrained. It is expected that agricultural transformation will result in increased household returns due to increased productivity. This in turn should drive a change in the welfare of agriculture sector players ultimately resulting in increased access to food and improved food and nutrition security. The essence of agriculture transformation is to expand the net of beneficiaries as espoused in SDGs, Agenda 2063 and Malabo Declaration that envisages an all-inclusive development trajectory that does not leave anyone by the wayside. It has been demonstrated that non-inclusive agriculture transformation often excludes or marginalizes the youth and women by conferring little or diminished benefits. This is unfortunate given that agriculture growth and development has been demonstrated to be the key economic growth driver of many developing and developed nations. The strategic objectives and interventions under inclusivity and agriculture sector growth are intended to embrace all value chain actors in view of the accruing gains.

#### 6.4.1 **Strategic Objective 4.1:** To reduce poverty and food insecurity

##### Strategic Interventions

- 6.4.1.1 Prioritize and focus on poverty and food insecurity reducing commodity value chains
- 6.4.1.2 Lower input costs and increase agriculture returns
- 6.4.1.3 Build household food resilience

#### 6.4.2 **Strategic Objective 4.2:** To enhance the participation of and benefits to youth and women in agriculture value chains

##### Strategic Interventions

- 6.4.2.1 Review and remove restrictive legislations and conditions that limit Youth and women participation, leadership and revenue sharing in agriculture value chain development
- 6.4.2.2 Increase the use of ICT applications in agriculture and agribusiness

#### 6.4.3 **Strategic Objective 4.3:** To expand market access and trade

##### Strategic Interventions

- 6.4.3.1 Provide market intelligence and trade opportunities
- 6.4.3.2 Build capacity for international trade negotiations
- 6.4.3.3 Participate in the development of trade protocols



## 6.5 STRATEGIC ISSUE 5: DEVELOPMENT OF A LEAN, FUNCTIONAL AND EFFECTIVE ASNET SECRETARIAT

### Rationale

In many instances, the government and the public sector in general often affirms its commitment to advancing private sector interests. In reality, however private sector actors find themselves in situations where they have to articulate for measures that can assure their existence and prosperity as they contribute to the national economy. The formation of ASNET was informed by the private sector actors' need to continuously engage government as a partner in transforming the agriculture sector. The government has well established structures and for ASNET to effectively engage it must also establish significant structures that are capable of facilitating the engagement process. It is therefore imperative for ASNET to design, develop and effect structures that can be used to engage government at both national and county level. The following strategic objectives and interventions are intended to establish and operationalize ASNET's governance and management structure including critical organs that assure credibility and functionality in delivering the chosen mandate.

#### 6.5.1 **Strategic Objective 5.1:** To develop ASNET's strategic direction

##### Strategic Interventions

- 6.5.1.1 Effect and implement ASNET's First three-year Strategic Plan
- 6.5.1.2 Develop and effect Annual Work Plans
- 6.5.1.3 Fund raise and mobilize resources for the first Strategic Plan

#### 6.5.2 **Strategic Objective 5.2:** To formalize and operationalize ASNET

##### Strategic Interventions

- 6.5.2.1 Incorporation of ASNET as a legal entity
- 6.5.2.2 Develop ASNET's operating instruments (Constitution, bylaws etc.)
- 6.5.2.3 Establish ASNET Governance Structure

#### 6.5.3 **Strategic Objective 5.3:** To establish and make functional ASNET's Management structure

##### Strategic Interventions

- 6.5.3.1 Design, agree and implement ASNET's management and operational structure
- 6.5.3.2 Engage ASNET'S interim management team

#### 6.5.4 **Strategic Objective 5.4** To enhance ASNET'S ICT infrastructure and utilization

##### Strategic Interventions

- 6.5.4.1 Develop and implement ASNET's ICT Protocol
- 6.5.4.2 Develop and implement ASNET's communication and promotion strategy





## 7.0 ASNET ORGANIZATIONAL STRUCTURE

### 7.1 CURRENT STRUCTURE

#### 7.1.1 Membership

The membership shall be drawn from all BMOs, strategic corporates, large scale and small holder farmers of all value chains in the agriculture sector. The membership categories shall be as follows:

1. BMOs
2. Corporates
3. SMEs
4. Development partners
5. Academia & research
6. NGOs/ Civil society
7. Finance
8. Cooperatives
9. Farmers (small holder and large scale)

Membership fees will be agreed on for the various categories. Members shall be convened during the annual general meeting and annual agriculture summit which will be the two major events every year.

- The first term of three years membership will be KES 10,000 as registration fees.
- There will be no annual subscriptions in the first one year of ASNET's operation.
- ASNET Members shall graduate to annual subscriptions during the second year of operation.
- The annual subscription will be determined and communicated by the Board of Directors.

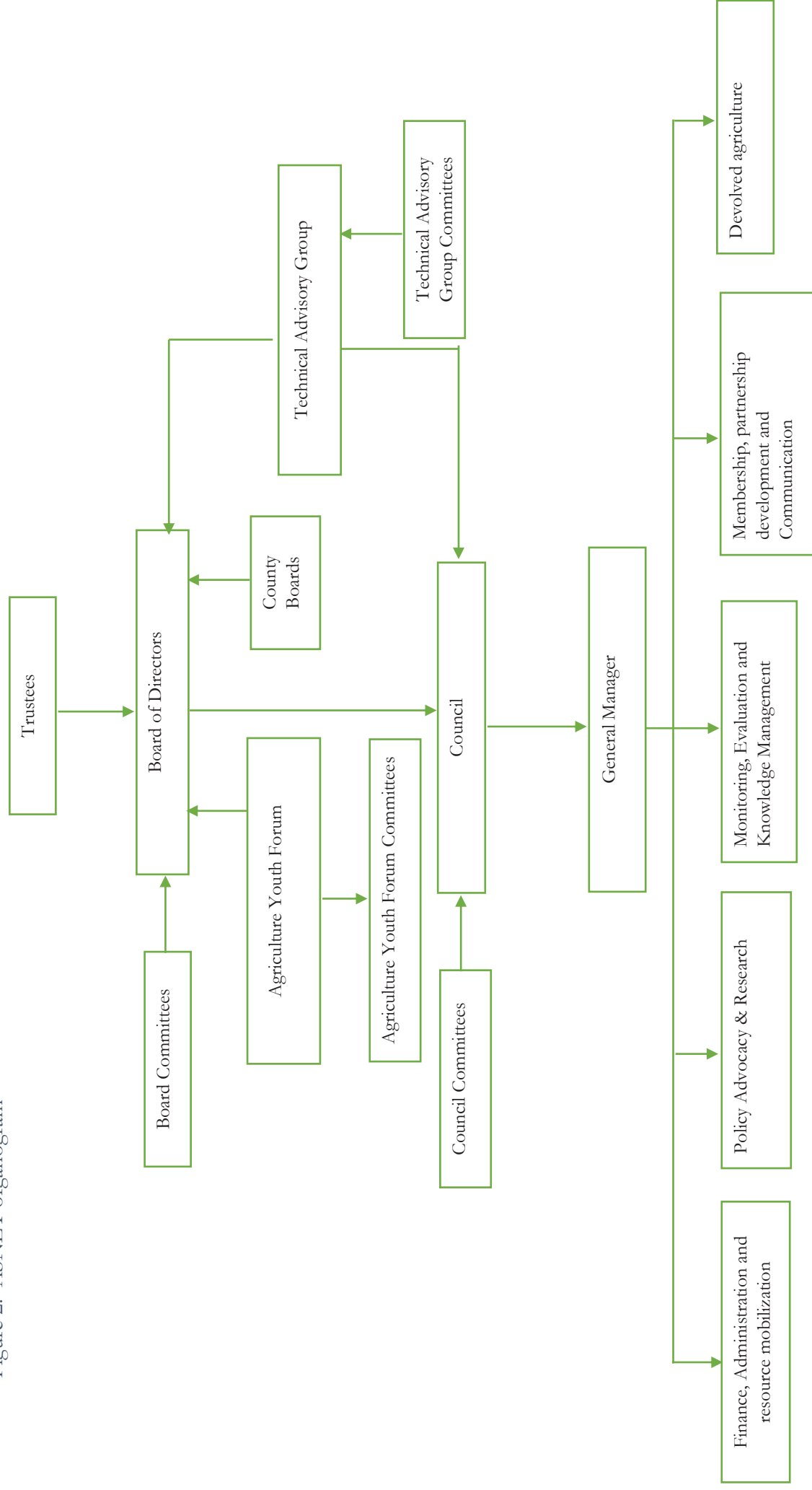
#### 7.1.2 ASNET governance and management (secretariat)

ASNET governance and management organs shall be as illustrated in the diagram below and shall comprise of:

1. Trustees
  - Trustees' Committees
2. Board of Directors
  - Board Committees
3. Council
  - Council Committees
4. Technical Advisory Group
  - Technical Advisory Group Committees
5. ASNET County Boards
6. Agriculture Youth Forum
  - Agriculture Youth Forum Committees
7. Management (Secretariat)

The responsibilities of each organ of ASNET governance is described in Annex III.

Figure 2: ASNET organogram







## 8.0 RESOURCE REQUIREMENTS AND MOBILISATION

### 8.1 OVERALL RESOURCE REQUIREMENTS

For effective running of the network, ASNET, will initially be hosted by KEPSA as it establishes an independent Secretariat that will be headed by a General Manager (GM) who will be recruited competitively, given clear mandate and report to the Board of Management. The GM will be supported by project officers and support staff.

The Secretariat will be housed at a central place in the capital, Nairobi, Kenya, which is accessible by all the members and stakeholders.

The recruitment of Secretariat staff will be phased out within the lifecycle of the strategic plan. It is envisaged that the GM, a Secretary, Monitoring, Evaluation and Knowledge Management Officer, Membership, Partnership Development and Communication and Finance, Administration and Resource Mobilization Officers, will be hired progressively along with a Policy Advocacy and Research Officer.

The Secretariat operational costs will be set aside as the organization becomes more viable and starts generating own resources.

The overall expenditure estimates for the life of the Strategic Plan is shown in table 5 below.

Table 5: ASNET Strategic Plan summary of costs

Expenses (KES)	2021	2022	2023
<b>Human Resource costs</b>	17,160,000	18,010,000	19,991,750
<b>Capital expenditure</b>	3,400,000	-	-
<b>Administration costs</b>	960,000	1,008,000	1,058,400
<b>Operational costs<sup>1</sup></b>	34,270,000	35,983,500	37,782,675
<b>Total budget</b>	<b>55,790,000</b>	<b>54,001,500.00</b>	<b>58,832,825.00</b>

<sup>1</sup>These are the costs directly associated with implementing the Strategic Plan interventions.

## 8.2 RESOURCE REQUIREMENTS FOR IMPLEMENTING THE SP AND FINANCIAL IMPLICATIONS FOR YEAR ONE

ASNET resource requirements for implementing the Strategic Plan and the financial implications are computed based on human resource costs, capital costs and operational costs derived from implementing the strategic interventions. The breakdown of the first year of the strategic plan implementation is shown in the table below. The financial implications for subsequent years of the strategic plan are computed in a similar manner.

Table 6: Breakdown of year one proposed financial resource requirements

Position/Item	Amount in KES	months	Total in KES
<b>Human Resource Costs</b>			
General Manager (GM)	300,000	12	3,600,000
Project officers			
Finance, Administration and Resource Mobilization	250,000	12	3,000,000
Policy Advocacy & Research	200,000	12	2,400,000
membership partnership development and communications	200,000	12	2,400,000
Devolved agriculture officer	200,000	12	2,400,000
Monitoring, evaluation and Knowledge Management officer	200,000	12	2,400,000
Secretary	50,000	12	600,000
Messenger	30,000	12	360,000
<b>Establishment Costs</b>			
Office space	100,000	12	1,200,000
utilities (Electricity and Water)	50,000	12	600,000
Mobility	50,000	12	600,000
<b>Office equipment Costs</b>			
Seats	15,000	10	150,000
Laptops	60,000	7	420,000
Printers	70,000	1	70,000
Tables	30,000	8	240,000
Internet connectivity	10,000	12	120,000
<b>Administration costs</b>			960,000
<b>Operational costs**</b>			34,270,000
<b>Total</b>			<b>55,790,000</b>



## 8.3 FINANCIAL RESOURCE MOBILISATION

### 8.3.1 Subscriptions

The membership shall be drawn from all BMOs and strategic corporates and small holder farmers of all value chains in the agriculture sector. A registration fee of Kshs 10,000 will be payable upon admission to membership of ASNET. An annual subscription fee which will be determined by the Board will be payable every year and membership certificate issued. Full payment will allow members to enjoy all the terms and privileges as stipulated by ASNET.

### 8.3.2 Subventions

ASNET will be open to any funding in form of grants and programmatic support from likeminded institutions and strategic partners so long as their objectives are aligned to ASNET strategic objectives. ASNET will jointly implement projects with such partners in line with its project management guidelines

### 8.3.3 Projects/activities

ASNET will strengthen its resource mobilization department with the requisite human capacity to develop project proposal to various funding agencies. These projects and activities will focus on value chain development. ASNET will develop guidelines for implementing such projects ones successful.

### 8.3.4 Other resource streams

ASNET will undertake consultancy services and engage in other income generating ventures either on its own or with identified partners in the areas where it has competence and a comparative advantage to promote agriculture sector.





## 9.0 MONITORING, EVALUATION AND SUPPORTING MECHANISMS

### 9.1 MONITORING AND EVALUATION

Monitoring, evaluation and reporting will be a central feature of the strategic plan. This is essential in monitoring and evaluating the inputs, activities, outputs and outcome to ensure that the strategic plan objectives are delivered as expected. This informs the identification and treatment of monitoring and evaluation as a strategic issue. The organization will shift emphasis from the traditional M & E that focuses on inputs and outputs to include results monitoring. This goes a step further and places emphasis on outcomes and impacts as it gives stakeholders and partners credible information to demonstrate results or lack thereof.

Monitoring and evaluation of the strategic plan is critical to the realization of the targets set. The association will therefore develop the necessary structures to support monitoring and evaluation of the strategic plan. At the onset, a Monitoring and Evaluation Steering Committee (MESCC) will be established at the board level to coordinate all M&E activities.

Monitoring will involve routine data collection and analysis. The result of this analysis will be used to inform decision making at all levels. This will ensure that the objectives of the strategic plan will be reinforced through corrective measures on timely basis. The board will organize internal and external evaluation survey and rapid appraisals.

Evaluation to measure impacts of the various interventions at ex ante (baseline), midterm and at program end will be carried out by independent entities. Independent evaluation will be contracted to credible firms and will be designed using appropriate approaches. They will focus on the extent to which the association has succeeded in meeting its set objectives through evaluation of the outputs, outcomes and impacts.

### 9.2 AGRICULTURE STAKEHOLDERS DATABASE

A reliable agriculture sector stakeholder's database is critical in undertaking informed and evidence-based decisions that effectively influence policies.

Data will therefore be collected from all the sector stakeholders and selected value chains with respect to mandates and constituents in an effort to reduce duplication and build synergies.

ASNET, in collaboration with other stakeholders will develop and maintain updated value chain data bases using appropriate tools for data collection, collation and analysis.



### 9.3 PERFORMANCE INDICATORS

The log frame/implementation matrix shows the performance indicators however the targets will subsequently be detailed in the annual and quarterly work plans.

### 9.4 ASNET MONITORING PLAN

The strategic issues, strategic objectives, strategic interventions and indicators will be consolidated into a monitoring and evaluation plan.









## 10.0 RISKS AND RISK MITIGATION

ASNET SP implementation will certainly encounter risks that will have to be mitigated for results to be obtained. The table below enumerates these risks and the attendant mitigation measures.

<b>Risk</b>	<b>External Factors</b>	<b>Internal Factors</b>	<b>Mitigation</b>
Strategic risks	<ul style="list-style-type: none"> <li>▪ Economic conditions</li> <li>▪ Political conditions</li> <li>▪ Emerging agricultural needs and opportunities</li> <li>▪ Partnerships opportunities</li> <li>▪ Competition</li> </ul>	<ul style="list-style-type: none"> <li>▪ Governance structures</li> <li>▪ Human resource capacity for risk identification and management</li> <li>▪ Guiding frameworks, policies and strategies</li> <li>▪ Systems</li> </ul>	<ul style="list-style-type: none"> <li>▪ Elaborate organizational systems, procedures and guiding frameworks</li> <li>▪ Human resource capacity development in risk management</li> <li>▪ Partnership and network development</li> </ul>
Operational risks	<ul style="list-style-type: none"> <li>▪ Reputation/image</li> <li>▪ Performance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliance to set out procedures/guidelines</li> <li>▪ Performance management system</li> <li>▪ Resources (Financial and human)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliance mechanism</li> <li>▪ Performance monitoring, evaluation and learning</li> <li>▪ Provision of adequate resources</li> </ul>
Project risks	<ul style="list-style-type: none"> <li>▪ Project alignment to mandate/objectives</li> <li>▪ Contractual obligations</li> <li>▪ Partnership relations/reputation</li> <li>▪ Existence of needs to be addressed</li> <li>▪ Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project management structures/systems</li> <li>▪ Contract management processes</li> <li>▪ Human capacity to manage projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop appropriate project management frameworks, tools and systems</li> <li>▪ Partnership development</li> <li>▪ Effective and efficient project implementation</li> <li>▪ Continuous needs assessment</li> <li>▪ Human resource capacity building on project management</li> </ul>



**ANNEX I: ASNET LOGICAL FRAMEWORK**

Strategic Issue	Strategic Objective	Strategic Interventions	Objectively Verifiable indicators	Source of Verification	Assumption	
<p><b>1. Mainstream the agriculture related Policy, legal, regulatory and institutional aspects for a competitive and enabling business environment</b></p>	<p>1.1. To effectively engage in agriculture policy lobby and advocacy at global, continental, regional, national and county levels (issues, methods, structures/systems, processes, networking and partnerships)</p>	<p>1.1.1. Establish and operationalize effective systems and structures for policy advocacy at County, national, regional, continental and global levels 1.1.2. Develop networks and partnerships</p>	<p>No. of policy advocacy structures established at all levels  No. of partnerships/networks</p>	<p>Policy documents  MoUs</p>	<p>Recommendations accepted by policy makers</p>	
	<p>1.2. To improve access to financial services and products by agriculture private sector actors</p>	<p>1.2.1. Develop and propose appropriate financial services and products 1.2.2. Design and advocate for favorable credit/loan terms</p>	<p>No. of financial products developed  Improved loan terms</p>	<p>Ease of doing business index</p>		
	<p>1.3. To improve the tax environment in agriculture</p>	<p>1.3.1. Harmonization of regional tax regimes</p>	<p>Tax regimes amendments/ revisions at regional level</p>			
		<p>1.3.2. Streamlining of National taxes ( Reduced multiplicity and levels)</p>	<p>Tax regimes amendments/ revisions at national level</p>			
		<p>1.3.3. Harmonization of County/Produce Cess</p>	<p>Cess removals, consolidations and harmonization</p>			
	<p>1.4. To promote increased private sector investment in agriculture</p>	<p>1.4.1. Review of investment policies, legislations and regulations to make them private sector friendly</p>	<p>No. of policies, legislations and regulations reviewed</p>			
		<p>1.4.2. Advocate for Public sector reforms ( National and County) that facilitate increased</p>	<p>No. of policies, legislations and regulations</p>			

	private sector involvement in agriculture	developed/amended/ revised	
<b>2. Consolidate fragmented agriculture private sector actors</b>	1.4.3. Rationalization of public expenditure in agriculture (subsidies vs enablers, Development vs Recurrent)	% increase in agriculture allocation and spending	Membership register
	2.1.1. Expand ASNET' membership	% increase in membership	
	2.1.2. Establish ASNET' consultative fora	No. of ASNET' consultative fora	
	2.1.3. Establish ASNET' advisory organs	No. of established functional ASNET' advisory organs	
	2.2.1. Institutional strengthening and Organizational Development	Types and number of initiatives towards IDOS	Institutional development assessment reports Minutes
	2.2.2. Strengthen BMO Leadership, governance and management		
	2.3.1. Conduct Business development training	No. of trainings conducted	Training reports Attendance lists
	2.3.2. Conduct technical training		
	3.1.1. Identification, mapping and analysis of priority value chains	No. of value chains mapped and analyzed	Value chain analysis mapping and analysis reports
	3.1.2. Strengthen agricultural sector cooperatives	No. of cooperatives strengthened	
3.1.3. Increase private sector involvement in extension and advisory services	% increase in number of private sector actors engaged in extension provision		
<b>3. Development of Agriculture value chains</b>			Conducive environment for agriculture and agribusiness

<b>4. Inclusivity of agriculture sector growth</b>	3.2. To enhance agricultural Research and innovation	3.1.4. Increase investments and access to finance	% increase in investments and access to finance				
		3.2.1. Improve agriculture productivity and profitability	% increase in productivity and profitability	FAO and World Bank agriculture statistics reports			
		3.2.2. Increase agriculture research fund outlay	% increase in research fund allocation	ASTI			
		3.2.3. Expand agriculture research funds eligibility to include private sector	% increase in private actors accessing research funding				
		3.3. To enhance agriculture value addition	3.3.1. Provide support to agriculture value adding entities	Number of initiatives supporting value addition and number of entities benefiting	FAO and world Bank agriculture statistics reports		
			3.1.2. Promote the establishment of agro-processing hubs	No. of agro processing hubs established			
			4.1. To reduce incidences of poverty and food insecurity	4.1.1. Prioritize and focus on poverty and food insecurity reducing commodity value chains	Number of prioritized value chains, number of households benefiting, % reduction in food insecurity	Food and nutrition security survey reports	Conducive environment for agriculture and agribusiness
				4.1.2. Lower input costs and increase agriculture returns			
				4.1.3. Build household food resilience	% reduction in cost of inputs		
				4.2.1. Review of restrictive legislations and conditions that limit Youth and women participation , leadership and revenue sharing in agriculture value chain development	No. of legislations and conditions reviewed and amended in favor of women and youth No. of initiatives to empower youth and women in revenue sharing	Policy documents	

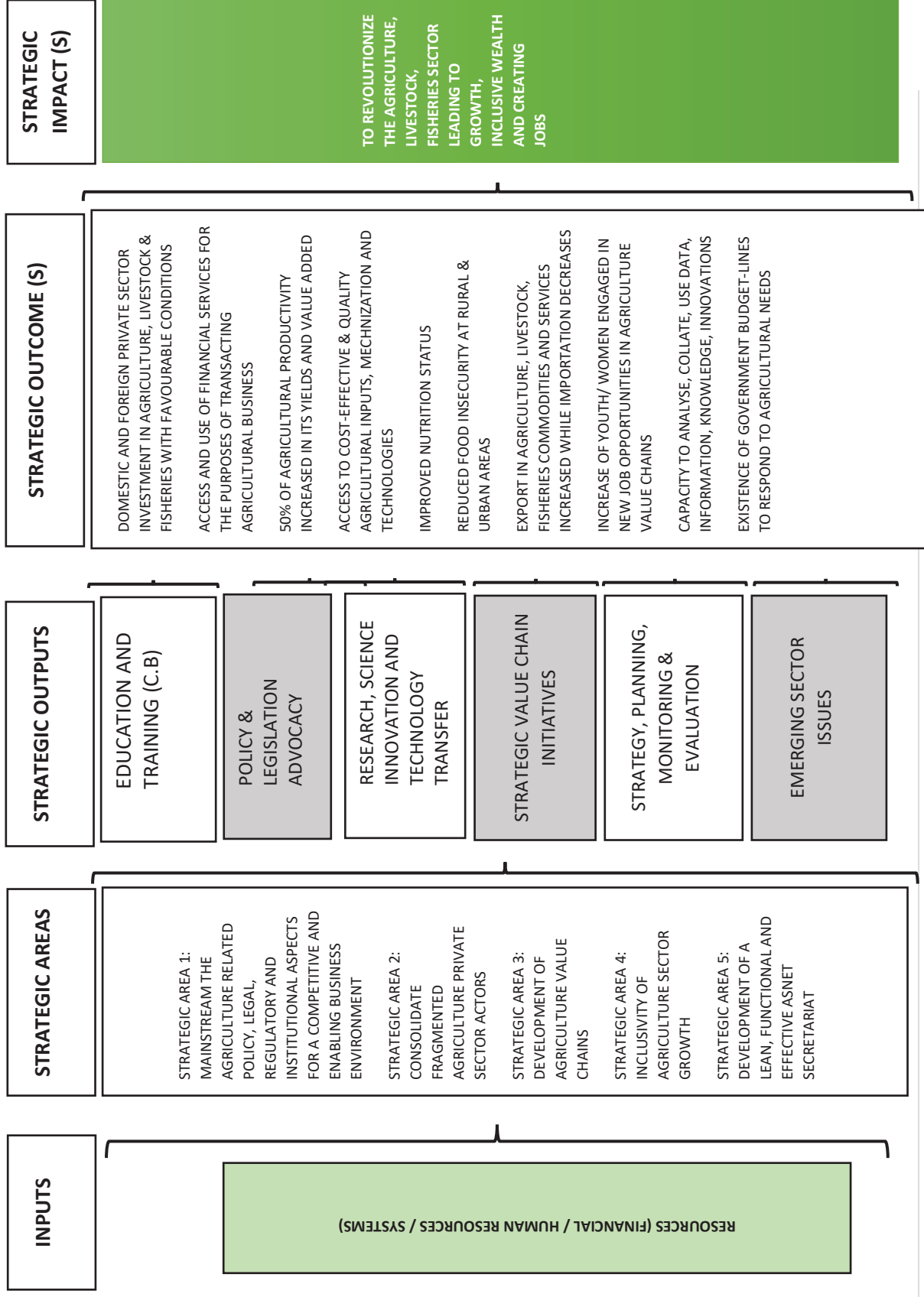


<b>5. Development of a lean, functional and effective ASNET Secretariat</b>	4.3. To expand market access and trade	4.2.2. Increase the use of ICT applications in agriculture and agribusiness	% increase in number of ICT applications in agriculture and agribusiness		
		4.3.1. Provide market intelligence and trade opportunities	No. of B2B and other trading opportunities provided	M&E reports	
		4.3.2. Build capacity for international trade negotiations	Type and number of capacity building interventions, Number of entities benefiting from the interventions		
		4.3.3. Participate in the development of trade protocols	Number of engagements in development of trade protocols	Trade protocols	
	5.1. To develop ASNET's strategic direction	5.1.1. Finalize ASNET's First three year Strategic Plan	3 year strategic plan finalized	3 year strategic plan	Dedicated and experienced workforce, Availability of financial resources, Willingness of development partners to partner with ASNET
		5.1.2. Fund raise and mobilize resources for the first Strategic Plan	Amount of financial resources, number of partnerships with development partners		
	5.2. To formalize and operationalize ASNET	5.1.3. Effect the Strategic Plan	Strategic plan implementation framework developed	Strategic plan implementation framework	
		5.2.1. Incorporation of ASNET as a legal entity	Registration of ASNET	Registration documents	
		5.2.2. Develop ASNET's operating instruments (Constitution, bylaws etc)	Operational documents developed	Operational documents	
		5.2.3. Establish ASNET Governance Structure	Governance structure in place	List of members to various governing organs, appointment letters of	

				members to governing organs	
5.3. To establish and make functional ASNET's Management structure	5.3.1. Design, agree and implement ASNET's Management Structure	Management structure established and operationalized	List of members to the management structure, appointment letters of members of management, Job descriptions, employment contracts		
	5.3.2. Engage ASNET'S interim management team	Interim management team in place	Terms of Reference of interim management team		
5.4. To enhance ASNET'S visibility	5.3.3. Develop and implement an annual work plan	Annual work plans developed	Annual work plan		
	5.4.1. Develop and implement ASNET's communication and promotion strategy	Communication and promotion strategy developed	Communication and promotion strategy		



**ANNEX II: ASNET STRATEGIC PLAN INTERVENTION CONCEPTUAL LOGIC**









The composition of ASNET governance and management organs and entities are described below.

### Trustees

- Shall be made up of 19 members
- Trustees are eminent and reputable champions of the sector drawn from the diversity of the sector. They also have influence that would benefit ASNET to initiate partnerships, resource mobilization, and are goodwill ambassadors.
- Any future assets would be vested under trustees.
- Trustees will serve for a period of three years and a third retires after every three years.
- Trustees shall elect a chair and vice chair. A chair serves one term only.
- The trustees will have three committees each with 5 members namely:
  1. Strategic partnership development and resource mobilization
  2. Enterprise development and mentorship
  3. Governance, elections and dispute resolution

### Board of Directors

- Shall have 32 members
- It shall be the policy organ that shall provide overall leadership and guidance
- Shall draw membership from chairs of BMOs and institutions represented by various value chains
- The chair and vice chair of Technical Advisors will be members of the board and executive committee
- The chair of the youth in agriculture committee will also be a member of the board but not executive
- The term for board membership will be three years. The chair will serve for one term and then will become a trustee.

There shall be an executive committee of 11 that shall comprise the chairperson, vice chairperson, the six chairs of the board committees and the chair and vice chair of technical advisors and the CEO.

In addition to the executive committee, there will be eight Board committees as follows with 9 members each (3 members from the board and 5 members from the council).

1. Trade finance and Investments
2. Research, Innovation and Technology
3. Strategy, Policy and Advocacy
4. Devolved Agriculture
5. Implementation, Monitoring and Evaluation & Learning
6. Finance, Administration and Resource Mobilization
7. Membership, partnership development, Events and Communication
8. Value Chain Working Group

### **The Council**

- It shall be the organization's implementation organ
- Shall comprise of 49 members
- Membership shall be drawn from CEO's from BMO's represented in the Board plus 15 corporate individuals engaged in active practice representing the diversity of the value chains
- The council shall follow practical and successful implementation of policies and strategies.
- The chair of the board shall be the chair of the council
- The vice chair of the board shall be a member of the council
- The chair and vice chair of the technical advisors will seat in the council
- The term of service shall be 3 years.

The ASNET council shall have eight committees each with members to address cross cutting issues for entire sector with seven members each as follows:

1. Value addition
2. Productivity and Extension services
3. Access to Finance and insurance
4. Post-harvest Storage, Logistics and Access to Markets
5. Capacity Building for BMOs
6. Competitiveness, trade regulations and standards
7. Smallholder Development
8. Cooperative Development



## Technical Advisory Group

- Shall comprise of 42 members
- It shall be the think tank of ASNET. They are drawn from various institutions that have strong technical expertise in the sector.
- The chair and vice chair will be appointed by the board and from amongst the members
- Both the chair and vice chair of the Technical Advisory Group will seat in the board, executive committee and the council
- The term will be 3 years and the chair shall serve a maximum of one term.
- One third of the Technical Advisors will retire after three years.

ASNET Technical Advisory Group shall have five committees

- Education and Training
- Research, innovation and technology
- Strategic Value Chain Initiatives
- Strategy, Planning, Monitoring & Evaluation
- Emerging Sector Issues

## ASNET County Boards

- Shall comprise of 47 members
- ASNET County Boards will be convened by KNCCI and review done after two years
- Each County shall have a board of 25 members comprising value chain leaders represented at County level.
- The county board shall have structured engagements with respective county department of agriculture.
- The term shall be three years with the chair serving a maximum of one term.
- ASNET Board shall prepare the structure and Terms of Reference (ToRs) of ASNET County Boards.
- County Boards shall be drawn from representatives of various value chains

## **Agriculture Youth Forum**

- Shall be led by a steering committee of 25 drawn from all the value chains and BMOs
- The youth shall create five sub-committees aligned to areas of priority
- They shall have a chair and vice chairperson
- They shall have an executive committee of seven which shall be the chair, vice chair and the five chairs of the sub-committees.

## **MANAGEMENT (SECRETARIAT)**

The head of the ASNET secretariat shall be the General Manager (GM). It is envisaged that in the interim, a total of seven offices will be created as follows.

- General Manager (GM)
- Finance, Administration and resource mobilization
- Policy Advocacy and Research
- Monitoring, Evaluation and Knowledge Management
- Membership, partnership development and Communication
- Devolved agriculture

A brief description of the responsibilities of each of the ASNET officers in the organogram is shown below;

### **Chief Executive Officer**

- Responsible for the overall success of the organization and the Focal person in the implementation of the ASNET strategic plan.
- Set the tone and the vision of the organization
- Lead the secretariat and be in charge of the day to day management of the organization
- In charge of the long term and short term plans
- Direct liaison between the board and management
- Communicate to the board on behalf of the management
- Human resource management

### **Finance, Administration and Resource Mobilization**

- Management of financial resources
- Co-coordinating the Audit function
- Developing financial management tools
- Responsible for the financial health of the organization.
- Produce financial reports and statements
- Develop strategies and plans for the long-term financial goals of the organization.
- Assist management make financial and investment decisions
- General project administrative support to projects

- Produce funding proposals
- Plan and report
- Organize and maintain project files and database
- Monitor the project budget
- Schedule meetings and prepare presentation

### **Policy Advocacy and Research**

- Identify critical policy issues
- Conduct research on the issue
- Develop lobbying strategies
- Build capacity of members on research for effective lobbying
- Coordinate program planning, implementation, evaluation and reporting
- Risk planning

### **Monitoring, Evaluation and Knowledge Management**

- Program governance (Control)
- Managing the project budget
- Define project indicators
- Manage ICKM activities
- Produce regular publications
- Maintain updated project documentation

### **Membership, Partnership Development and Communication**

- Develop membership recruitment strategies
- Implement membership strategies
- Develop maintain and update a web based database of members
- Identify membership benefits and incentive
- Ensure effective and timely communication among the members and stakeholders
- Develop communication strategy
- Develop and disseminate communication materials

### **Devolved Agriculture**

- Develop collaborative mechanisms with county government
- Champion private sector fora for agricultural stakeholders at county level
- Coalesce lobby issues from the county fora
- Promote PPP at county level
- Document and periodically report to the General Manager







# AGRICULTURE SECTOR NETWORK

*The voice of Kenyan agriculture*



## AGRICULTURE SECTOR NETWORK (ASNET) STRATEGIC PLAN 2021 - 2024