



THE BUSINESS



ADVOCACY FUND
Supporting Private Public Dialogue



NATIONAL AGRICULTURE SUMMIT

Theme: Building Partnerships for the Transformation, Growth and competitiveness of the Agriculture Sector in Kenya

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Safari Park Hotel

Concept Note



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1. Introduction

Kenya Private Sector Alliance (KEPSA) is the apex and umbrella body of the private sector in Kenya. It brings together the business community in a single voice to engage and influence public policy for an enabling business environment. The National Business Agenda III is KEPSA's strategy for the period 2018-2022. In this action plan, we endeavour to work with government in partnership with development partners and other stakeholders where our strategies converge to deliver both the Medium-Term Plan III and the Big 4 Agenda. The focus is on areas that have business and investment opportunities. Institutional strengthening for the agriculture sector is a key enabler in ensuring that all other interventions are implemented correctly to achieve impact. Enhancing capacities of agricultural stakeholders in terms of lobby and advocacy, financial management, leadership and governance is probably the first step in ensuring a stable sector. This is the reason why stakeholders including government, private sector, farmer organizations and development partners are generally in agreement that there is need to form a National Private Sector-led Apex body for agriculture sector.

We recognize that the Agriculture Sector in Kenya continues to play a vital role in the economy, contributing 26% of Gross Domestic Product (GDP) and another 27% of GDP indirectly through linkages with other sectors. The sector employs more than 40% of the total population and more than 70% of Kenya's rural people respectively. Agriculture in Kenya is large and complex, with a multitude of public, parastatal, non-governmental and private sector players, not forgetting the millions of producers. The sector was one of the first to fully devolve service



provision to the County Governments, underscoring the importance of County Governments' role in ensuring food security and agricultural growth and transformation and by extension the need to build institutional capacities for stakeholders at grassroots level.

The challenges for smallholder farmers are numerous and extremely difficult to master individually. These range from the provision of services to development of business skills to deal with the new circumstances. To address the challenges of integrating small producers and processors in their different groupings into modern value chains, innovative approaches and strategies are required. Smallholder farmers are struggling to keep up with these new trends, finding themselves at a disadvantage due to high transaction costs and low bargaining power.

Private sector advocacy in the agriculture sector is largely fragmented with several apex bodies with similar or duplicating mandate, often with the same members represented by these bodies. According to a BAF funded research on agriculture sector mapping (2018), the sector has over 100 BMOs across the country affiliated to various apex bodies such as: the Kenya National Farmers Federation (KENAFF); Agriculture Industry Network (AIN); Kenya Agribusiness Agro-industry Alliance (KAAA); Agricultural Council of Kenya (ACK); and KEPSA's agriculture sector board among others.

This fragmentation and duplicate representation often means that various BMOs and apex bodies are engaging with government all with minimal success or none at all. Several attempts have been made to organise the sector; however, none have



resulted in a unified industry voice which would enhance the likelihood that advocacy in the cross cutting agricultural issues would be successful.

Organising the sector's engagement with government, therefore, is paramount if the sector's advocacy engagements will be successful. Therefore, it is essential for all players in the agriculture sector to work together as a recognized legalized entity as proposed by KEPSA - **The National Private sector led Agriculture apex body**, in order to strengthen their voice for articulating their needs, for lobbying and taking advantage of economies of scale. This in the medium term and long run can help cure some of the major challenges in the sector;

- i. Weak value chains integration and linkages;
- ii. Weak institutions (especially farmer institutions) and support services;
- iii. Low productivity;
- iv. Conflicting or non-existing policy;
- v. Over reliance on old production models and technologies e.g. rain-fed; and
- vi. Low levels of value addition
- vii. Inadequate access to finance
- viii. Inefficient market systems (access, infrastructure, price, cartels etc.)

In addition, the country's food balance sheet indicates the need to enhance sufficient food production and reducing over reliance on imports of wheat, maize and rice which form the bulk of household food demand. We, therefore, need to take action to invigorate agricultural growth.

Considering the above, KEPSA lead the engagement with agriculture sector players to agree on a unified voice to represent the sector. KEPSA in collaboration with



the Kenya National Chamber of Commerce and Industry was able to organise four forums with the sector actors in 2019.

These forums have led to a consensus by industry actors to form a new legal entity (registration ongoing). The private sector led by KEPSA and KNCCI agreed on a sectoral agenda for the federation for the next three years. In addition, this agenda was shared in preliminary discussions with the Ministry of Agriculture, Livestock and Fisheries (MoALF) and in principle agreed as a suitable agenda.

KEPSA has continued to engage the National Government Ministries, Departments and Agencies to enhance agricultural productivity in Kenya. This summit is, therefore, a culmination of a number of stakeholder engagements since 2019 and will mark the launch of the National Private Sector led agriculture apex body and unveiling its 3-year roadmap.

2. Goals and Objectives

Several stakeholder engagement meetings at national level have pointed out weak institutional framework as a huge gap in moving forward the agriculture transformation agenda. Harmonization of existing policy frameworks and rolling out appropriate interventions in the sector (spanning crops, livestock and fisheries) will require *one sectoral voice ... a connected farmer's first approach*. Thus, the goal is a **bigger voice for agriculture in the Kenya economy**.



KEPSA and all stakeholders in the agriculture sector including government, development partners, research and private businesses are in the process of developing a 3-year roadmap for strengthening producer organizations and farmers in Kenya. The initial step was to unanimously agree on the need to forge a unified *National Private Sector led Agriculture Sector Apex body*. The aim of this summit is therefore to;

- i. Create an agricultural transformation roadmap over the next 3 years based on a matrix that will define challenges and actual interventions for all the value chains
- ii. The government shall present the Agriculture Sector Growth and Transformation Strategy
- iii. Discuss the role of Counties in transforming agriculture as a devolved sector
- iv. Share learnings and recommendations from previous Stakeholders engagements;
- v. Understand key challenges and opportunities for private sector investments in agriculture;
- vi. Share objectives and framework & strategies for the National Private Sector led Agriculture Sector Apex body; and
- vii. Launch & Unveil the Apex body, interim secretariat

The summit is a culmination of four previous consultative workshops convened by KEPSA in 2019.

3. Expected Results

The summit is anticipated to realize the following results;



- i. National Apex body receive instruments of operationalization;
- ii. National framework of partnership engagement in agriculture developed;
- iii. Priority opportunities to address agricultural challenges identified; and
- iv. Draft 3-year roadmap developed.

4. Value Add

This engagement forum is uniquely placed to bring together government, development partners and private sector in addressing one of the most challenging issues in the sector. Looking at the issue of farmer organizational strengthening through the eyes of private sector is a new approach in Kenya and is expected to raise the bar in terms of policy dialogues in the agricultural sector.

5. Participation and Venue

This workshop will host 400 high level agriculture sector leaders for a two-day workshop at Safari Park Hotel, Nairobi with representation from Ministry of Agriculture, Livestock and Fisheries, Ministry of Industry, Trade and Cooperatives, Council of Governors secretariat, development partners, NGOs, farmer organizations, government parastatals, research institutions and Kenya Private Sector Alliance.

