

COUNTY GOVERNMENT OF BUNGOMA



**DEPARTMENT OF AGRICULTURE, LIVESTOCK, FISHERIES,
IRRIGATION AND COOPERATIVES**

BUNGOMA COUNTY AGRIBUSINESS POLICY

OCTOBER, 2023

LIST OF ACRONYMS

AFA:	Agriculture and Food Authority
AMC:	Agricultural Mechanization Centre
ASDS:	Agriculture Sector Development Strategy
ATC:	Agricultural Training Centre
ATVET:	Agricultural, Technical and Vocational Education and Training
CAADP:	Comprehensive Africa Agriculture Development Programme
CBOs:	Community Based Organizations
CECM:	County Executive Committee Member
CIAT:	International Centre for Tropical Agriculture
CIDP:	County Integrated Development Plan
CPF:	Common Program Framework
CSOs:	Civil Society Organizations
EU:	European Union
FBOs:	Faith Based Organizations
GDP:	Gross Domestic Products
HCD:	Horticultural Crop Development
ICIPE:	International Centre of Insect Physiology and Ecology
ICRISAT:	International Crop Research Institute for the Semi-Arid Tropics
ICT:	Information Communication Technology
KALRO:	Kenya Agriculture, Livestock Research Organization
KCIC:	Kenya Climate Innovation Centre
KEBS:	Kenya Bureau of Standards
KEFRI:	Kenya Forestry Research Institute
KEPHIS:	Kenya Plant Health Inspectorate Service
KMFRI:	Kenya Marine and Fisheries Research Institute
KNBS:	Kenya National Bureau of Statistics
KPI:	Key Performance Indicators
MEL:	Monitoring, Evaluation and Learning
MSMEs:	Micro, Small, and Medium Enterprises
NGOs:	Non - Governmental Organizations
NIMES:	National Integrated Monitoring and Evaluation Systems
PCPB:	Pest Control Products Board
PPP:	Public Private Partnerships
SMEs:	Small and Medium Enterprises
TVET:	Technical and Vocational Education and Training

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FOREWORD

Agriculture forms the basis of food production, trade and employment in the County and significantly contributes to growth of the County economy. The Kenya Vision 2030 identifies agriculture as a key sector through which to deliver 10 percent annual growth rate. The Vision targets to transform smallholder agriculture from subsistence activities, marked by low productivity and low value addition, to ‘an innovative, commercially-oriented, internationally competitive and modern agricultural sector. Agribusiness holds the key to this transformation. It is the sleeping giant that could realize the potential of the agriculture sector across a wide range of sub sectors and value chain nodes including value addition in food, textile, energy industries and biotechnology. Capital investment in agribusiness will create jobs and increase revenue generation as well as economic growth for the county.

The County Government of Bungoma in collaboration with relevant stakeholders, has taken the initiative to formulate the Agribusiness Policy which will be the basis of legislation, strategies, plans, projects and programmes for the county agribusiness development. The Policy has been formulated in line with relevant provisions of the Constitution and identifies current challenges in the Agribusiness Sector and outlines suitable interventions to address them.

In addressing the challenges, the Policy recognizes institutional and capacity limitations in the agribusiness industry and provides for functional linkages between the Sector and respective institutions whose domains have potential impacts on agribusiness value chains. The Policy affirms the interrelationship among various national and county agencies and stakeholders that have a definite bearing on agribusiness development. In this regard, it emphasizes the need for National and County Governments to commit adequate resources to enable sustainable development of agribusiness in the county.

Finally, I wish to thank all those who participated in the development of this policy framework. I reiterate my commitment to ensure that the Policy interventions come to fruition. I therefore conclude by urging all stakeholders to strive towards the full implementation of the framework. God bless Bungoma County, God bless Kenya!

KENNETH MAKELO LUSAKA
H.E THE GOVERNOR

COUNTY GOVERNMENT OF BUNGOMA

PREFACE

This Agribusiness Policy seeks to commercialize the agriculture sector by stimulating sustainable agricultural transformation. This will result in significant growth of the agribusiness sector, expanding incomes for farm households and increased agricultural productivity.

Bungoma County has several Micro, Small and Medium Enterprises (MSMEs) in the agricultural sector including input suppliers, producers, traders and processors. They are breeding grounds for entrepreneurship, innovations and inventions hence a reservoir for employment, sustainable jobs and income creation which in turn reduce poverty levels. A majority of the MSMEs in the sector are affected by four major factors: low capital investment, inadequate entrepreneurial and technical skill levels of managers and employees, low technological adoption and unsupported prevailing business environment. These result in management styles that are more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in their concept leading to the collapse of many small businesses when complex situations arise.

Strong Producer Organizations form the interface between the value chain actors and their economic, social, and institutional environment. However, producer organizations in the county are weak and lack capacity to make a positive contribution towards articulating the demands of their members for advisory services. As the producer organization continues expanding its outreach, there is a need for capacity building on organizational development, good governance, service delivery and advocacy targeting participation in budgetary and policy processes to enable them to lobby for resource allocation and better framework conditions.

In Bungoma County development can only have a beneficial outcome for the vulnerable groups, when the working culture, structure, systems, procedures and underlying values of the institutions which shape their lives themselves reflect a concern for gender equality. Inadequate and ineffective participation of vulnerable groups in decision making and resource acquisition has limited them from acting as change agents. The integration of inclusivity through the agribusiness policy is therefore crucial for sustainability and improved livelihood.

Hon. Monica Salano Fadha

County Executive Committee Member (CECM)
Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives

ACKNOWLEDGEMENT

The drafting of the Agribusiness policy is an outcome of efforts and contributions of various stakeholders. We wish to acknowledge **Kenya Climate Innovation Center (KCIC)** through the Agribiz programme whose resources supported the County in the formulation of this policy.

We wish to thank the County Executive Committee Member for Agriculture, Livestock, Fisheries, Irrigation and Cooperatives- Dr. Monica Fedha for spearheading the policy developing process.

We wish to thank the County Assembly on playing its legislative role and ensuring that the policy is passed. Specifically, we extend our gratitude to the Sectoral Committee on Agriculture, Livestock, Fisheries, Irrigation and Co-operatives and the Committee on Delegated Legislation for their input.

The process of preparing this policy was undertaken by a dedicated technical working group that comprised of members from the County Departments of Agriculture, Livestock, Fisheries and Cooperatives; Trade; and the County Attorney. The task force was key in developing primary drafts that were the basis for stakeholder consultations and public participation.

Finally, we wish to acknowledge the participants of the various workshops in the development of this policy. We are especially indebted to research institutions, universities, NGOs, and CBOs who sent representatives to participate in the formulation and validation of this policy. Your input into this policy will go a long way in the development of the agribusiness sector and the County of Bungoma as a whole

County Chief Officer,
Agriculture and
Irrigation

County Chief Officer,
Livestock & Fisheries

County Chief Officer,
Co-operatives

EXECUTIVE SUMMARY

The Agribusiness industry is one of the largest and most diverse in the global economy involving production, value addition, marketing and consumption of agricultural products. Food and agribusiness contribute 5 trillion USD representing 10 percent of global consumer spending and employs the largest numbers of people globally. In Bungoma County, the Agriculture sector contributed 44% to the County Gross Product. It is the main source of employment offering 26% of the available jobs followed by skilled artisans and traders both of which contribute 20% of the jobs in the county.

Schedule 4 of the Constitution of Kenya 2010, the County Government Act 2012 and the Legal Notice No.139, allow County Governments among other responsibilities to formulate and review County specific policies and strategies. Some of the legislations developed under the County Government include: Bungoma County Investment and Development Corporation Act 2019 and Bungoma County Youth Policy. These legislations however, do not adequately address agribusiness issues in the County. It is against this background that this policy has been developed in order to operationalize the existing Bungoma County Youth Agribusiness Strategy 2022-2027 and coordinate stakeholders within the county.

The goal of this policy is to achieve a sustainable agricultural transformation that will result in significant growth of the agribusiness sector, expanding incomes for farm households and increased agricultural productivity. The specific objectives of this policy are:- to mobilize and enhance access to internal and external resources for investment in agribusiness; to develop market structures, improve access to markets and strengthen linkages through PPP models; to support agribusiness programs aimed at equipping value chain actors with knowledge and skills; to enhance agripreneurship culture in Bungoma County; to enhance value addition and agro processing services among value chain actors; to establish and strengthen producer organizations including formation of cooperative societies; to institutionalize and facilitate participation in the formulation and review of legislative policies and general decision-making mechanisms and to mainstream gender and other inequalities in agribusiness in order to increase participation of the vulnerable groups in agribusiness ventures.

The policy addresses agribusiness in the broad areas of low capital investment in agribusiness, weak markets and marketing structures, inadequate knowledge skills and negative attitudes, inadequate agripreneurs to exploit existing opportunities, inadequate value addition and agro processing facilities, weak production and marketing organizations, weak enabling environment and cross cutting issues.

The County Government will develop a participatory implementation plan for this policy which will be an important step towards ensuring actions outlined in the policy are addressed systematically and effectively. The Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives will have the overall responsibility for the implementation of this policy. The County Executive Committee Member jointly with relevant sector representation will be responsible for ensuring the implementation is followed through. The implementation plan will also embrace performance measures for the actions and initiatives outlined in the policy to gauge the overall progress.

This policy will be integrated into the County Result Based Monitoring and Evaluation Framework for coordinated implementation and linking to the County Action Plan. There will be an Annual Review Report (ARR) on implementation of the policy. The policy will be reviewed when need arises to ensure its relevance.

CHAPTER ONE: INTRODUCTION

1.0. Introduction

This chapter presents background information on the agribusiness sector from a global, regional, national and finally county perspective. The chapter further gives policy background information where it explains how the national level policies and legal frameworks are domesticated at the county level. Finally, the chapter outlines a summary of the rationale for the policy and provides insights into the process of developing the policy.

1.1 Background

The Agribusiness industry is one of the largest and most diverse industries in the global economy involving production, value addition, marketing and consumption of agricultural products. Key players include agricultural producers, food manufacturers, wholesalers and related support services. Food and agribusiness contribute 5 trillion USD representing 10 percent of global consumer spending and employs the largest numbers of people globally. Evidence suggests that this is particularly true in the food industries of both developed and developing countries.¹ Agribusiness contributes 25 percent of Africa's GDP and employs 70 percent of its population.²

The continent produces most of the world's highly demanded products, such as cocoa from Côte d'Ivoire and Ghana, vanilla from Madagascar, tea from Kenya, and fruits from South Africa. Despite some success, Africa's agribusiness sector is still struggling to meet rising local and export demand and compete efficiently in the global market. Africa needs high sustainable investments in markets and innovative technologies to steer its transformation into a net exporter of commodities.³

¹ World Bank Annual Report, 2017

² WB, 2017

³ IFC 2020

Agriculture is a major driver of Kenya's economic growth contributing 27.3% to the country's GDP⁴. Agriculture is profoundly important to every one of Kenya's 47 million people with three quarters dependent on the sector for their livelihood and survival. This growing population coupled with changing appetites and rising food demands are fueling growth in the agriculture sector. Kenya Vision 2030 identifies agriculture (crop, livestock, and fisheries) as one of the key sectors in the delivery of the 10% annual economic growth rate as envisaged under the economic pillar.

The agriculture sector contributed 44% to the County Gross Product in 2020. The crops, livestock and fisheries sub-sectors are the main components of the agricultural sector. The key challenges affecting the sector included steady reduction of agricultural land, low value addition to agricultural products, poor marketing, market uncertainties and ineffective research-extension farmer linkages.

Agriculture remains the main source of employment offering 26% of the available jobs followed by occupation by skilled artisans and traders both of which contribute 20% of the jobs in the county. Those that have never been employed constitute 20% of the labour market while the unskilled labour force contributes 6%. The most sought-after employment by government agencies only contributes to 3% of the jobs in the county. Agricultural training services are provided by several institutions both public and private. These include Mabanga Agricultural Training Centre (ATC), Mabanga Agricultural Mechanization Centre (AMC), Institutions of higher learning and TVET such as Kibabii University, Sang'alo Institute of Science and Technology amongst others.

The County Government has put in place an elaborate agricultural extension system with qualified extension officers up to the Ward level however, there is need for more officers since the staff to farmer ratio is still high. It is worth noting that the public system is complemented by other extension service providers operating in the county. Research and regulatory services are equally provided by several institutions including Kenya Agricultural and Livestock Research Organization (KALRO), institutions of higher learning, Agriculture and Food Authority (AFA), Kenya Plant Health Inspectorate Service (KEPHIS), Pest Control Products Board (PCPB), Kenya Bureau of Standards (KEBS) amongst others.

Bungoma has several Micro, Small and Medium Enterprises (MSMEs) in the agricultural sector including input suppliers, producers, traders and processors. They are breeding grounds for entrepreneurship, innovations and inventions hence a reservoir for employment,

⁴KNBS- ESR, 2019

sustainable jobs and income creation which in turn reduce the poverty levels. A majority of the MSMEs in the sector are affected by four major factors: low capital investment, inadequate entrepreneurial and technical skill levels of managers and employees, low technological adoption and unsupportive prevailing business environment. These result in management styles that are more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in their concept leading to the collapse of many small businesses when complex situations arise.

Strong Producer Organizations form the interface between the value chain actors and their economic, social, and institutional environments. In Bungoma County however, the producer organizations are weak and lack capacity to make a positive contribution towards articulating the demands of their members for advisory services. As the producer organization continues expanding its outreach, there is a need for capacity building on organizational development, good governance, service delivery and advocacy targeting participation in budgetary and policy processes to enable them to lobby for resource allocation and better framework conditions.

In Bungoma County development can only have a beneficial outcome for the vulnerable groups, when the working culture, structure, systems, procedures and underlying values of the institutions which shape their lives themselves reflect a concern for gender equality. Inadequate and ineffective participation of vulnerable groups in decision making and resource acquisition has limited them from acting as change agents. The integration of inclusivity through the agribusiness policy is therefore crucial for sustainability and improved livelihood.

1.2 Policy and Legal Framework

There are several policies that govern operations of agribusiness both locally and internationally. Globally, the committee on World Food Security endorsed the **Principles for Responsible Investment in Agriculture and Food Systems**, which is a comprehensive international guidance instrument that contributes to food security and nutrition by helping local actors to promote responsible investments by strengthening the enabling legal environment in their countries.

In Africa the enhanced agribusiness growth is driven by the **Continental Agribusiness Strategy Framework Document** whose objective is to provide a framework for promotion and development of a robust and inclusive agribusiness sector, propelling agriculture value chains across Africa creating jobs, wealth and retaining it along the value chains.

Comprehensive Africa Agriculture Development Programme (CAADP) Results Framework 2015 – 2025 is a framework for agriculture transformation, wealth creation, food security and nutrition, economic growth and prosperity for all. This document prioritizes the key issues in agribusiness development in Africa which includes growth and poverty reduction through its direct impact on Job creation and increasing opportunities, especially for women and youth, food security and improved nutrition and strengthening resilience. CAADP's objective is to help African countries reach a path of higher economic growth through agriculture-led development, which eliminates hunger, reduces poverty and food insecurity, and enables expansion of agriculture export.

The Malabo Declaration on Accelerated Agricultural Growth Transformation 2025 committed to enhancing investment finance in Agriculture and boosting Intra-African trade in agriculture commodities and services to spur agribusiness in Africa.

The **Constitution of Kenya, 2010** provides for explicit protection of the right to food. Economic and social rights shall include the right of every person to be free from hunger, and to have adequate food of acceptable quality (art. 43). Every child has the right to basic nutrition (art. 53). Section 46 defines rights of consumers.

The **Kenya Vision 2030** names agriculture as one of the key sectors to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. It proposed that smallholder agriculture should be transformed from its current subsistence level, marked by low productivity and low 'added-value', to 'an innovative, commercially-oriented, internationally competitive and modern agricultural sector'. Agribusiness holds the key to this transformation, with the potential to reinvigorate economic activities in diverse sub sectors including food, textile, energy industries and biotechnology.

The **National Agribusiness Strategy (2012)** seeks to achieve the following: remove barriers and create incentives for the private sector to invest in agribusiness and related business opportunities; invest public resources more strategically to trigger growth in agribusiness; make agribusiness systems more competitive, easily adaptable and 'fleet-footed' in order to deal with dynamic markets and the opportunities they bring; and encourage institutional frameworks, which enable all actors to utilize market opportunities.

Agricultural Sector Transformation and Growth Strategy 2019-2029 founded on three anchors of increasing small-scale farmer income, agricultural output and value addition and

increasing household food resilience. Additionally, the **Kenya Youth Agribusiness Strategy 2018-2022** seeks to address issues of negative perception on agricultural activities, inadequate skills, knowledge and information and limited access to financial services.

Bungoma County Integrated Development plan (CIDP-2023-2027) outlines several strategic objectives that are aligned with the overall vision and mission of the county. The plan aims to promote economic growth and diversification, with a focus on agriculture. This involves supporting value chain establishment, incubation centers, establish subsidized agriculture insured schemes, value addition and agro processing, market and access, and investment opportunities. Good governance and effective institutions are highlighted as critical components for achieving development goals. The County through the CIDP, aims to enhance transparency, accountability, and citizen participation in decision-making processes.

Bungoma Youth in Agribusiness Strategy (2022-2027) envisages promotion of youth employment through an inclusive engagement in youth friendly agriculture value chains. It intends to harmonize the activities of different actors, geared towards addressing youth challenges in the County and guide their participation for increased employability, food and nutrition security, income generation and improved livelihoods. It also aims at creating opportunities for the youth to directly participate in community leadership, lobbying, advocacy, budgeting and planning within the development structures of the County.

Bungoma County Investment and Development Corporation Act 2019- The transformation of the county economy is pegged on diversification and commercialization of agriculture, food security, wider access to quality education and skills, wider access to national, regional and global markets for our products, entrepreneurship and job creation. In delivering these outcomes, the Act shall fully secure the environment, build resilience to climate change, while progressively achieving the targets of the sustainable development goals.

1.3 Rationale

The Kenya Vision 2030 identifies agriculture as a key sector through which to deliver 10 percent annual growth rates. Under the Vision, smallholder agriculture will be transformed from subsistence activities, marked by low productivity and low value addition, to ‘an innovative, commercially-oriented, internationally competitive and modern agricultural sector. Agribusiness holds the key to this transformation. It is the sleeping giant that could

realize the potential of the agriculture sector across a wide range of sub sectors including value addition in food, textile, energy industries and biotechnology. Capital investment in agribusiness will create jobs and increase revenue generation as well as economic growth for the county.

In Bungoma County, there exists opportunities amidst exploitation challenges across the various value chain nodes including input supply, production, transportation, value addition and marketing. The sub sector is facing a mirage of issues including; low capital investment, inadequate entrepreneurial and technical skill levels of managers and employees, inadequate agripreneurs to exploit the existing opportunities, inadequate value addition and agro processing facilities, weak production and marketing organizations, weak markets and marketing structures coupled with unsupportive business environment. The above challenges notwithstanding, the County lacks an agribusiness legal instrument to address them.

Schedule 4 of the Constitution of Kenya 2010, the County Government Act 2012 and the Legal Notice No.139, allow County Governments among other responsibilities to formulate and review county specific policies and strategies. Some of the legislation developed under the County Government include: Bungoma County Investment and Development Corporation Act 2019 and Bungoma County Youth Policy. These legislation however, do not adequately address agribusiness issues in the County. It is against this background that this policy has been developed in order to operationalize the existing Bungoma County Youth Agribusiness Strategy 2022-2027 and coordinate stakeholders within the county.

1.4 Policy Development Process

The development of the Bungoma County Agribusiness Policy was led by the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives in consultation with other relevant stakeholders. The process of policy development was supported by financial assistance from the Kenya Climate Innovation Centre (KCIC) through the EU and Danida-funded AgriBiz programme. The Technical Working Group undertook desk top research for secondary information and drafted the policy through focused group discussions. The draft policy was subjected to internal validation and review through presentations to key stakeholders and later public participation where the input from the public was incorporated. The draft policy was then presented to the cabinet subcommittee on policy whose input was incorporated and eventually submitted to the cabinet for approval and subsequent transmission to the County Assembly for input and approval.

CHAPTER 2: POLICY FRAMEWORK

2.0 Introduction

This chapter provides the policy direction with regard to Agribusiness in Bungoma County by outlining the goal and specific objectives. It also spells out the guiding principles and values that will underpin the implementation of the policy.

2.1 Policy vision

A commercialized and innovative agribusiness sector for improved incomes and livelihoods.

2.2 Policy mission

To achieve sustainable agricultural transformation that will result in significant growth of the agribusiness sector, expanding incomes for farm households and increased agricultural productivity.

2.3 Policy objectives

2.3.1 Broad objective

To facilitate the transformation of the agriculture value chains through agripreneur support and resource mobilization for investment in agribusiness value chains.

2.3.2 Specific Objectives

1. To mobilize and enhance access to internal and external resources for investment in agribusiness.
2. To develop market structures, improve access to markets and strengthen linkages through PPP models.
3. To support agribusiness programs aimed at equipping value chain actors with knowledge and skills.
4. To enhance agripreneurship in Bungoma County.
5. To enhance value addition and agro processing services among value chain actors.
6. To establish and strengthen producer organizations including formation of cooperative societies.

7. To institutionalize and facilitate participation in the formulation and review of legislative policies and general decision-making mechanisms.
8. To mainstream gender and social inclusion in agribusiness in order to increase participation of the vulnerable groups in agribusiness ventures.

2.4 Guiding Principles and Values

2.4.1 Values

1. Empowerment of agripreneurs as assets for county development.
2. Agripreneurs as instruments and agents of their own development.
3. The promotion of social and economic inclusion as well as integration of youth into the mainstream of society and the economy.
4. Intentional agripreneurs-focused interventions that prioritize addressing their needs effectively.
5. The promotion of moral regeneration in line with societal values.

2.4.2 Principles

The Policy is underpinned by a set of principles that guide the actions emerging from the policy. They include:

1. **Equity and accessibility** -The policy subscribes to the principles of equal opportunities and equitable distribution of programmes, services and resources. It also endeavors to promote access to socio-economic opportunities for the agripreneurs.
2. **Inclusiveness** -The policy aims at an inclusive development, where different interests are well negotiated while providing space and freedom to innovative and entrepreneurial forces. It underscores the need to promote a gender inclusive approach to the development of agripreneurs and seeks to eliminate gender discrimination and violence.
3. **Good governance**- The policy seeks to promote the values of good governance, a just and tolerant society, promotion of transparency and accountability and a spirit of nationhood and patriotism.
4. **Sustainable development**- Agripreneurs' assets, potential, capacity and capability must be maximized so that they can respond effectively and efficiently to life's

challenges without compromising the ability of future generations to meet their own needs.

5. **Systemic approach-** The policy aims at developing functioning systems through its interventions. It does not encourage single activities that have no impact on the functioning of the systems' capacity to perpetuate its efforts in a self-driven and self-organized fashion.
6. **Transformation-**The policy aims at transformation of people's attitudes and of institutions and organizations as a base to unleash the potential that citizens and their institutions have.

CHAPTER THREE: POLICY ISSUES AND INTERVENTIONS

3.0 Introduction

This chapter outlines the County's priority intervention measures for agribusiness. It identifies the key policy issues that shall be the main focus of the County Government and consequently unlock the agribusiness potential of the county.

3.1. Policy issue 1: Low capital investment in agribusiness

Financial facilities through financial institutions such as banks, micro financing, SACCO's and digital lending platforms are available in the County usually at competitive interest rates. The financial institutions however largely offer unaffordable terms for most agripreneurs, especially start-ups. Many actors are also unaware of the existing financial products with favorable terms due to inadequate awareness fora. High financial default rate has been attributed to inadequate financial management knowledge and skills amongst actors. Institutional credit tends to be repaid well only where programs are carefully coordinated by external institutions and support systems particularly on input distribution and product marketing. There are various programs in the county that support agricultural enterprises, however the programs are inadequate and limited in scope.

Agricultural value chains are subject to risks such as drought, pests and diseases which demotivates investment by agripreneurs. Majority of the agribusiness actors in the county are risk averse therefore requiring derisking financial and non-financial products and programs. However, there are limited financial products in the county that derisk agripreneurs from such risks. Further, most agripreneurs act individually and therefore lack capacity for resource mobilization. Majority of agripreneurs rely on internal finances such as contribution from the owners, family and friends, which is often inadequate for them to invest and grow. Inadequate efforts to mobilize resources from development partners has hampered development of agribusiness infrastructure in the county.

Low innovation and adoption of modern technology in agribusiness is observed in the county. There are several digital platforms in the county though the scope is limited in terms of operational area, addressed value chains and nodes. Adoption of such platforms has also been inadequate due to limited capacity of actors to acquire and manage the innovations and technology.

3.1.1. Policy interventions

To enhance access to internal and external resources for investment in agribusiness, the County Government of Bungoma in collaboration with partners shall; -

1. Promote programs that support various agricultural value chain enterprises.
2. Facilitate access to affordable financial
3. Develop specific insurance and financial PPP models that derisk agribusiness enterprises.
4. Promote resource mobilization for investment in agribusiness.
5. Promote investment in technology and innovation.
6. Upscale innovation fund for agriculture and agribusiness
7. Promote capacity building on financial literacy, entrepreneurial innovation and technical skills of the agripreneurs.

3.2. Policy issue 2: Weak markets & marketing structures

There are various agro-based marketing channels in the county. Specific high potential marketing centers exist at Bungoma town, Chwele, Kamukuywa, Webuye, Kimilili, Sirisia, Mayanja, Naitiri, Myanga, Kapsokwony, Cheptais and Lwakhakha. The centers lack adequate marketing facilities such as appropriate road network, market stalls, storage facilities, and specialized transport which hinders agripreneurs from meeting their marketing objectives. Digitized marketing platforms exist with limited scope and usage capabilities. Markets within the county are largely characterized by individual actor participation resulting in exploitation by middlemen leading to low product prices, high marketing costs and hence low incomes.

There is low access to market information in the county largely due to inadequate market information sharing platforms and low awareness on existing platforms. Additionally, there are inadequate off takers for various value chains limiting enterprise growth. Inadequate opportunities and poor enforcement of contract farming has also led to market uncertainties among agripreneurs limiting their growth. Further, there is low compliance to registration, standardization and traceability requirements by most agribusiness actors. This is attributable to low awareness of such requirements in the county and inadequate capacity of actors to access and facilitate required processes for registration, standardization and traceability.

3.2.1. Policy Interventions

To develop infrastructure and strengthen coordination and management of markets, the County Government of Bungoma in collaboration with partners shall:

1. Promote market infrastructure development
2. Promote, establish and strengthen marketing organizations and utilization of produce aggregation centers.
3. Develop and strengthen market linkages.
4. Promote efficient distribution of farm produce and products to facilitate access to markets.
5. Facilitate registration, standardization and traceability of produce and products for improved markets.
6. Develop participatory framework for contract farming.

3.3. Policy issue 3: Inadequate knowledge and skills

In Kenya, agriculture as a subject has not been given priority at basic learning with technical institutions and universities recording a decline in direct enrollment of students in agriculture. The case scenario in Bungoma County is a mirror of what happens nationally majorly due to a paradigm shift towards other courses that have a higher demand in the job market. The existing VTCs and ATVETs curriculum in the County currently offer very few agribusinesses related courses. It's worth noting that the trainers in the agribusiness field are equally few and have inadequate capacity.

The County lacks an agriculture information resource centre where agribusiness information can be accessed. Agribusiness knowledge and skills among agriculture extension service and other value chain actors is also limited. There is inadequate research in agribusiness and weak linkage between research organization and agriculture extension. There exist public and private extension providers in the County. However, there are few public extension service providers with inadequate capacity in agribusiness. In addition, limited funding towards public agricultural extension negatively affects service provision.

3.3.1. Policy Interventions

To support agribusiness programs aimed at equipping value chain actors with knowledge and skills, the County Government of Bungoma in collaboration with partners shall;-

1. Support development and implementation of training programmes for improving the capacity of ATVET/VTC institutions to adequately address skills development in different value chains.
2. Establish a knowledge resource center for knowledge sharing and dissemination.
3. Develop and disseminate appropriate innovative agribusiness technologies.
4. Enhance technical competence of extension agents and value chain actors on the existing agribusiness skills.
5. Enhance and support public extension services
6. Promote PPP in Agricultural Extension and Research development.

3.4. Policy Issue 4: Inadequate Agripreneurs to exploit the existing opportunities

There has been low trust in farming as a viable business aggravated by high cost of inputs, low product/produce prices and lack of structured markets. Consequently, agri-products are influenced by the unpredictability of weather hence resulting in uncertainty in output volumes. The agribusiness-engagement-culture in the County is low due to negative perceptions especially among the youths. Majority of agripreneurs use rudimentary methods of production yielding to low returns and hence propagating the vicious cycle of poverty.

The County has a number of agro-based MSMEs with limited access to enterprise development services. This has hampered the growth in the number of agripreneurs. Business incubation centers are instrumental in launching startups and supporting the entire entrepreneurial journey through provision of resources and guidance to help them grow and succeed. The county has only two agribusiness incubation centers with limited scope and capacity to offer adequate training and facilitative enterprise development services to agripreneurs. There are inadequate model farms to mentor agripreneurs. Further, there is low willingness by the existing agripreneurs to participate in mentorship/coaching programmes. The existence of few vibrant and successful agro-based ventures has led to limited opportunities for internship by potential agripreneurs.

The decline and poor economic performance by major agricultural industries in the County including textiles, milk, coffee, sugar, cotton and tobacco has resulted in a low number of agripreneurs in these value chains. There exist various youth organizations in the County which are agricultural related. However, these organizations are constrained by low funding and governance issues.

3.4.1. Policy intervention

To enhance agripreneurship, the County Government in collaboration with partners shall:

1. Develop sustainable business hubs and incubation centers.
2. Support mentorship and peer to peer coaching programmes.
3. Promote sustainable internship programmes.
4. Support job fairs and business to business models.
5. Develop and strengthen existing agricultural industries.
6. Promote establishment and empowerment of youth organizations to nurture their skills on agripreneurship.

3.5. Policy Issue 5: Inadequate value addition and agro processing facilities

Agriculture in Bungoma County is largely subsistence in nature with minimal value addition and agro-processing activities along the value chain. There exist limited value addition and agro processing technologies and products leading to high food losses. Food safety is an integral part of the value addition involving compliance to set standards of production, processing, packaging and handling of agricultural products.

In the county there is low compliance to food safety standards. There is inadequate agro-processing infrastructure with low involvement of the private sector actors. There are few factories in the county, most of which are poorly governed, and have few, outdated and obsolete machines. Agro Processing is mainly done in established value chains such as maize, sugarcane and coffee while very little is done in less established ones. Value addition is inadequately done at the household level due to limited knowledge and skills, technology and tools and equipment.

3.5.1. Policy Intervention

To enhance value addition and agro-processing services among value chain actors, the County Government of Bungoma in collaboration with partners shall: -

1. Enhance value addition and processing of agriculture produce.
2. Develop and promote appropriate innovation and pre/post-harvest technologies.
3. Support compliance to food quality and safety measures in all agricultural value chains.
4. Provide supporting services, incentives and infrastructure for value addition.

5. Promote agro value chain analysis to determine high value products.
6. Promote PPP in establishment of agro-processing infrastructure.

3.6. Policy issue 6: Weak producer Organizations

Strong producer organizations form the interface between the value chain actors and their economic, social, and institutional environments. The producer organizations make a positive contribution by articulating the demand of their members for advisory services and ensuring these services are supplied in an efficient and sustainable way.

Poor targeting of entrepreneurs during establishment of producer organizations in the county, poor leadership and governance, inadequate capacities in handling group dynamics and management has led to their inability to access market and market systems, credit facilities and other agribusiness opportunities. Existing value chain platforms are weak and poorly coordinated resulting in overlapping and duplication of roles.

3.6.1. Policy Intervention

To establish and strengthen producer organizations, the County Government of Bungoma in collaboration with partners shall: -

1. Establish and strengthen producer organizations
2. Establishment and strengthening of county and sub county value chain platforms.
3. Enhance capacity building of producer organizations on agribusiness and good governance
4. Promote coordination mechanisms among value chain actors.

3.7. Policy Issue 7: Weak Enabling Environment for Agripreneurs

The business enabling environment at the national and local level encompasses policies, administrative procedures, enacted regulations and the state of public infrastructure. Burdensome and unpredictable regulation is costly both in terms of the time and money required for compliance as well as in opportunity cost.

The County Government has developed several empowerment funds for traders, youth, women & people living with disability to support MSMEs with affordable credit and training but the schemes have not been consistent, have limited scope and inadequate funding. High input costs and inadequate measures to cushion agripreneurs against the rising costs has

made it difficult for actors to exploit opportunities. Multiple taxation and levies arising from requirements for various licenses, intercounty cess during transportation of goods and multiple regulatory agencies has worsened the ease of doing business in the county. Agripreneurs lack adequate supportive regulatory and business environment to manage external competition, to ease business functions and foster growth.

Policy formulation is a participatory process in the County where stakeholders are engaged at public participation levels to give their inputs. However, low participation by agripreneurs during policy formulation, implementation and review hinders compliance on regulations and policies developed. Policy implementation requires a multi-sectoral approach from all relevant agencies and departments. Most agencies and departments act individually in the county due to weak existing coordination mechanisms.

3.7.1. Policy Intervention

To develop and strengthen the existing policy environment and improve institutional governance, the County Government in collaboration with partners shall:

1. Develop, review and enforce legal and regulatory framework for agripreneurs and markets including land lease guidelines, graduate placement policies, contract farming guidelines, farm input support guidelines among others.
2. Strengthen Institutional and Coordination Framework
3. Support inclusive agripreneurs participation in policy development, review and implementation process.
4. Support coordination mechanisms for agribusiness policy implementation.
5. Develop frameworks for ease of doing business.

3.8. Policy issue 8: Cross cutting issues

3.8.1 Gender and Social Inclusion

Development can only have a beneficial outcome when the working culture, structure, systems, procedures and underlying values of the institutions incorporate vulnerable groups. In Bungoma county low inclusivity of vulnerable groups has derailed economic development and growth in the agriculture sector. Cultural beliefs, low participation of vulnerable groups, increased cases of gender-based violence and drug and substance abuse have immensely affected the agriculture sector.

3.8.1 Policy intervention

To enhance the participation of women, youth and vulnerable groups in agribusiness, the County Government of Bungoma in collaboration with partners shall;

1. Enhance capacity building of value chain actors on gender mainstreaming.
2. Create suitable safety nets to cushion highly vulnerable individuals against radicalization, addictions and violence.
3. Promote programs to support participation of youth and other vulnerable groups.
4. Support gender affirmative action in decision making and resource allocation.

3.8.2 Low resilience to Climate change impacts and environmental degradation

Agricultural production in the county has declined over time due to the impacts of climatic change. This has posed a threat to food security due to increasing vulnerable environmental conditions such as diminished biodiversity, soil degradation or growing water scarcity. The impacts of Climate Change in the County have been manifested in erratic rainfall, delayed onset of rains, increasing temperatures and prolonged dry spells. This has affected agricultural production and productivity because most farmers rely on rainfed agriculture. The sector has further witnessed delays in planting due to prolonged dry spells. In addition, increasing temperatures have increased incidences of pests and diseases affecting crops on farms resulting in crop failure, animal and aquaculture losses.

In response to the changing climate, there is low adoption of climate smart technologies by farmers due to low resource allocation. Poor agricultural, livestock and aquaculture practices such as cultivation on steep slopes and river banks, improper land preparation, overgrazing, burning of crop residues and agricultural waste management and disposal, overfishing and use of illegal and destructive gear leads to environmental degradation that aggravates climate effects.

There exists a weak early warning system on climate change that has led to poor emergency preparedness and coordination. Despite the county having developed a Climate Change Action Plan its implementation remains a challenge. It is worth noting that agriculture plays an important role in greenhouse gas emissions mitigation (GHG) and removing CO₂ from the

atmosphere by sequestering carbon, yet it lags behind other sectors in terms of climate commitments, such as carbon credits and other climate change mitigation measures.

Policy Interventions

To enhance resilience to climate change impacts for sustainable agriculture production, the county government in collaboration with partners shall:

1. Promote climate smart agriculture and associated technologies.
2. Promote climate financing and broaden mechanisms to attract climate change investments.
3. Support climate early warning system to enhance preparedness in managing climate variability and weather extremes.
4. Prioritize the implementation of the Bungoma County Climate Change Action Plan.
5. Promote carbon credit programmes and other agriculture sector climate change resilient enterprises.
6. Enhance effective stakeholder and community participation in climate change adaptation and mitigation initiatives.

CHAPTER 4: THE POLICY IMPLEMENTATION FRAMEWORK

4.0. Introduction

This chapter presents the policy implementation framework highlighting the partners and stakeholders who are key to the successful implementation of the policy. The County Department of Agriculture, Livestock, Fisheries, Irrigation and Co-operatives will be an entity in which other government departments, actors and agencies will collaborate in planning, implementation, monitoring and evaluation of activities.

4.1. Institutional Framework

The successful implementation of this policy will depend on the partnership amongst the various stakeholders. These stakeholders include, County Government and its department, the national government and its institutions, bilateral and multilateral institutions, non-state actors like International and local NGOs, Private Sector, cooperative societies *inter alia*.

4.1.1 The County Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives

The County Government through the Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives and in collaboration with other actors shall be responsible for coordination during the implementation of this policy.

4.1.2 Other County departments

Realization of the objectives of this policy is dependent on the roles and responsibilities of other departments including;

I. Finance and Economic Planning:

The department will be responsible in coordination of development of budget and planning documents such as County Integrated Development Plan, Annual Development Plan, and Annual Financial Fiscal Strategy Paper among others.

II. Trade, Energy and Industrialization:

The County Government of Bungoma in collaboration with the National government and other players shall develop and support implementation of this policy that will encourage investment in processing and value addition to agricultural products. This will increase the market niches, increase incomes and create employment to the people of Bungoma.

Agricultural Value chain actors shall be organized into viable groups that can sustainably satisfy the needs of various commodity industries, establishment of strong cooperatives for various categories of farmers will be a priority in this endeavor.

III. ICT

The department shall spearhead ICT related technologies in development of agricultural value chains. These include but are not limited to marketing apps, Agri-ICT hubs among others.

4.1.3 Private partners

The private partners include farmer institutions, processors, transporters, marketers and all other actors in the value chains. They will collaborate with the National and County government in the implementation of the policy through: development and review of this policy; investment ventures; and provision of goods and services.

4.1.4 Research Institutions and Regulatory bodies

Bungoma County will work with several research organizations and regulatory bodies which include but not limited to: Kenya Plant Health Inspectorate (KEPHIS), Horticultural Crop Development (HCD), Kenya Bureau of Standards (KEBS), Pests Control Product Board (PCPB), Kenya Forestry Research Institute (KEFRI), Kenya Agricultural and Livestock Research Organisation (KALRO), International Centre of Insect Physiology and Ecology (ICIPE), International Crop Research Institute for the Semi-Arid Tropics (ICRISAT), Kenya Marine and Fisheries Research Institute (KMFRI), International Centre for Tropical Agriculture (CIAT), and Institutions of Higher Learning. Their role shall be to carry out various research aspects along various agricultural value chains and regulatory services.

4.1.5 Non State Actors

Non state actors include Civil Society Organizations (CSOs), Non - Governmental Organizations (NGOs), Faith based organizations (FBOs), and Community Based Organizations (CBOs) among others. They will collaborate with the County government in the implementation of the policy, through financing, offering technical support, oversight and review of the policy.

4.1.6 Bilateral and Multilateral Organizations

Bilateral and multilateral development partners shall be important in financing and providing technical support for the implementation of this policy. The development partners in collaboration with the National and County governments will continue to provide technical assistance and financial support to realize the objectives of the policy. This will be through policy development and reviews, legislations and guidelines, sector reforms and development and implementation of agricultural programmes and projects. In this regard, the National and County governments will provide for an agriculture sector Common Program Framework (CPF) to guide the engagement with development partners.

CHAPTER 5: POLICY MONITORING AND EVALUATION, REPORTING AND REVIEW

5.0. Introduction

The chapter highlights the monitoring, evaluation, reporting and review of the policy implementation process.

5.1. Monitoring, Evaluation and Learning

The Department responsible for Agriculture, Livestock, Fisheries, Irrigation and Cooperatives will have the overall responsibility for the implementation of this policy. The County Executive Committee Member jointly with relevant sector representation will be responsible for ensuring the implementation is followed through. The implementation of the policy will comply with the national laws and regulations governing monitoring and evaluation at all times. To effectively ensure this happens, there shall be an integrated monitoring and evaluation system on Agribusiness management in the county. A baseline will provide the foundation upon which progress of agribusiness management shall be measured.

Performance evaluation by the lead department and other relevant sectors will be carried out through Key Performance Indicators (KPI). The monitoring will also be both formative (taking place during the policy implementation period with the aim of improving the outcomes) and summative [drawing and implementing lessons from policy objectives already achieved (or not achieved)].

For successful implementation of this agribusiness policy, a MEL framework will be developed as an integral component to ensure the policy objectives are achieved in a cost effective, coordinated and harmonized approach. The department in charge of crops, livestock, veterinary, fisheries, irrigation and cooperatives in collaboration with the relevant implementing line departments, agencies and other stakeholders will develop a MEL framework within six months of the policy implementation.

The MEL framework is expected to be consistent with the National Integrated Monitoring and Evaluation Systems (NIMES) and have clear terms of reference for relevant stakeholders in data collection, standardization, storage and sharing at all levels using standard format. The sector will establish a multi-sectoral MEL committee, develop MEL tools and set

performance targets. There will be an Annual Review Report (ARR) on implementation of the policy that will be presented to the Governor by the CECM Agriculture, Livestock, Fisheries, Irrigation and Cooperatives.

5.2. Reporting and communication

The Department of Agriculture, Livestock, Fisheries, Irrigation and Cooperatives in Bungoma County shall develop a mechanism for recording and reporting agribusiness activities in the County. The said mechanism will focus on both domestic and foreign direct investors in the County. To ascertain its effectiveness and efficiency with regard to agribusiness management, the county government shall institute a framework of standards in line with the national and international standards.

There shall be a channel and procedure for reporting and communication guided by the following principles;

1. **Proper Flow of Information:** The information should freely flow from the proper place to the right end user of the report.
2. **Proper Timing:** The purpose of preparation of report is to control unfavorable activities hence the report should be submitted at the required time at any cost.
3. **Accurate Information:** The report contains only accurate information since inclusion of wrong information may lead to wrong decision making.
4. **Relevant Information:** Proper attention should be devoted to include only relevant information in the report.
5. **Basis of comparison:** The information bestowed by reports will be helpful when it carries provision to compare with past figures, standards set or objectives.
6. **Reports should be clear and simple:** The purpose of preparing a report is helping the management in planning, coordinating and controlling.
7. **Cost:** The expenses incurred by the management with regard to report preparation should be commensurate with the benefits derived from the report preparation.

8. **Evaluation of responsibility:** The reporting system should fix standards or targets for each functional department and should be installed in such a way that managerial responsibility can be evaluated.

5.3. Operationalization and Review of Policy

The Agribusiness policy shall only be submitted to the County Assembly of Bungoma upon being approved by the County Executive Committee. It shall become operational as soon as it is passed by the County Assembly, published and publicized by the County Government of Bungoma. Upon publication of the policy, the Department responsible for agriculture, livestock, fisheries and cooperatives shall operationalize the policy.

The policy operationalization will take account of the specific objectives as well as putting due consideration on the guiding values and principles. The aim is to transition a poorly developed and susceptible agribusiness sector with low incomes into an innovative, resilient and commercialized agri-value chain hub.

This policy is flexible and open to adjustments going forward. There shall therefore be a window to review and revise/update this policy once every five years or when the need arises to ensure its relevance. The review shall follow the step listed below;

1. Identification of the need to review the policy.
2. Submission of a Policy Action Form to the department of Agriculture, Livestock, Fisheries, Irrigation and Co-operatives.
3. Review of the policy in consultation with the stakeholders and subject matter experts, and develop a draft update.
4. Submission of the draft for review and comment, as required, by the cabinet Subcommittee on policies
5. Submission of the reviewed Policy and Cabinet memorandum to the Cabinet.
6. Once the Policy has been approved, it will be submitted to the County Assembly for approval.
7. Policy publication, dissemination and implementation.