



**NATIONAL CEREALS AND PRODUCE BOARD**

*Leaders in Trade and Management of Agricultural Commodities*

# **STRATEGIC PLAN 2020 -2023**

**ABRIDGED VERSION**



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## Acronyms and Abbreviations

|        |   |  |
|--------|---|--|
| ASTGS  | - | Agriculture Sector Transformation and Growth Strategy              |
| BoD    | - | Board of Directors   |
| CSI    | - | Customer Satisfaction Index  |
| EACC   | - | Ethics and Anti-Corruption Commission                              |
| ERP    | - | Enterprise Resource Planning                                       |
| FRS    | - | Famine Relief Stock  |
| FU     | - | Functional Unit  |
| FY     | - | Financial Year   |
| HR     | - | Human Resource   |
| HRMIS  | - | Human Resource Management Information System                       |
| ICT    | - | Information Communication Technology                               |
| IoT    | - | Internet of Things   |
| KEBS   | - | Kenya Bureau of Standards  |
| KOMEX  | - | Commodity Exchange   |
| KPI    | - | Key Performance Indicator  |
| KRA    | - | Key Result Area  |
| LAN    | - | Local Area Network   |
| M & E  | - | Monitoring & Evaluation  |
| MT     | - | Metric Tones   |
| NCPB   | - | National Cereals and Produce Board                                 |
| NTD    | - | NCPB Trading Division  |
| PA     | - | Performance Agreement  |
| PESTEL | - | Political, Economic, Socio, Technological, Environmental and Legal |
| PMET   | - | Planning, Monitoring and Evaluation Team                           |
| PPDA   | - | Public Procurement and Disposal Act                                |
| SFR    | - | Strategic Food Reserve   |
| SDGs   | - | Sustainable Development Goals                                      |

- SWOT - Strengths Weaknesses Opportunities Threats
- UoM - Unit of Measure
- VOIP - Voice over Internet Protocol
- WAN - Wide Area Network
- WRC - Warehouse Receipt Council
- WRS - Warehouse Receiving System

## Foreword

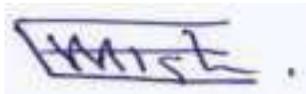
Kenya's Vision 2030 has identified agriculture as a key driver of economic growth and as an enabler to achieving the middle income status. Among the key objectives of the agricultural sector is the achievement of national food and nutrition security through enhanced food production, value addition and raising farmers' incomes. These aspirations are echoed in the Medium Term Plan III and the Big Four Agenda initiatives. The Food and Nutrition Pillar of the Big Four Agenda seeks to improve food and nutrition security by increasing the acreage under irrigation, expand the area under large scale crop production and to distribute assorted subsidised fertiliser to targeted farmers through the e-voucher system.

The Agricultural Sector Transformation and Growth Strategy (ASTGS) was launched in 2019 to transform the country's agriculture sector including improving food and nutrition security and ensuring availability of affordable food to vulnerable Kenyans. In particular flagship five (5) has an impact on the future operations of NCPB as it targets to *"restructure the governance and operations of the Strategic Food Reserves Trust Fund to better serve 4 million vulnerable Kenyans"*. NCPB positions itself by commercialising its processes and setting up Warehouse Receipt System and targeted incentives for registered farmers.

National Cereals and Produce Board (NCPB) has played a central role in implementing government policy on food security through maintenance of the national food reserves and implementation of market interventions aimed at providing farmers with a market outlet and cushioning consumers from high maize prices.

This Strategic Plan assumes a transformative strategic direction in order to guide NCPB as it focuses on fulfilling its renewed and expanded mandate. The Board will, therefore, implement the Strategic Plan as supported by the Government's agenda in the areas of agriculture and food security. It shall also promote agricultural marketing in the country, with the emphasis being given to supporting the implementation of the Warehouse Receipting System (WRS) and Commodity Exchange programmes.

It shall be incumbent upon everyone concerned to play their assigned roles effectively to enable the fruition of the chosen strategic direction. On its part, the NCPB Board of Directors is committed to ensuring that the Board has in place the policies and procedures to guide the implementation of the Plan and providing the required support in the form of intervening where necessary and continual oversight.



E. Mutea Iringo, CBS

**CHAIRMAN**

# Preface

National Cereals and Produce Board (NCPB) is focusing on turning around the Board's fortune through improved commercial performance. This is in line with the Government's agenda for enhancing food and nutrition security as well as commodity trade.

Implementation of strategies under this Strategic Plan 2020-2023 will be a continuous journey from the previous 2015-2020 Strategic Plan. The new Strategic Plan has incorporated strategies that target commercial trade and enhanced profitability for NCPB. Indeed, The NCPB plans to attain financial sustainability by increasing revenue generation through trading on various commodities and leasing of its surplus storage space to the public at market rates, while optimising operational costs. Key to this initiative is operationalising the Warehouse Receipting System(WRS) and refurbishing infrastructure of warehouses and silos and build capacity among its staff.

To perform as expected, Management shall continue applying the Balanced Scorecard (BSC) Model as the preferred performance management approach which shall be used for agreeing commitments, monitoring, reviewing and communicating performance. NCPB shall also give due importance to inculcating into and ensuring that the Board's employees possess the necessary behavioural characteristics under three competency groupings of working with others, delivering results and focusing on the future for promoting a performance-driven culture in a risk conscious environment.

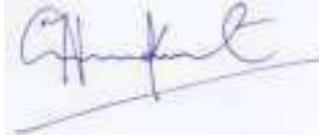
The HR function of the Board shall be supported by putting succession plan in place, continuous training, recruitment, improvement of terms and working conditions.

This will be necessary to support the ongoing strategic and structural reforms geared towards positioning NCPB to manage the National Food Reserve Fund and hosting the National Food Balance Sheet Committee (FBSC).

NCPB shall leverage on technology to streamline its process in line with emerging trends by improving ICT infrastructure, improving network connectivity with far flung depots and addressing the staff to computer ratio; more so improve efficiency and effectiveness of software and applications; and enhance ICT business continuity by developing business continuity strategy.

The implementation of this Strategic Plan will be monitored through an elaborate

M&E framework to ensure the organisation realises strategic objectives. At NCPB, we believe that this Strategic Plan will perfectly drive NCPB to be the *'Leaders in Trade and Management of Agricultural Commodity'* of choice; so as to provide better quality service to producers, traders and all stakeholders.



Joseph M. Kimote

**MANAGING DIRECTOR**

## Executive Summary

The National Cereals and Produce Board (NCPB) Strategic Plan is the premier policy blueprint for the Board which articulates the Organisation’s three-year (2020/2023) strategic direction. The Strategic Plan was carefully prepared to exploit the opportunities brought about by transformational agenda at NCPB, building on the earlier performance of NCPB but also injects new transformative approach to the strategies that are inclined towards full commercialisation of NCPB businesses. It sets out seven broad strategic goals/pillars that will establish a commonly shared vision for the future of the Organisation and of its role in the broader mission of trading in quality grains, agricultural products and related services. The implementation of the Plan anticipates new levels of entrepreneurial practices, partnerships and collaboration, distributed leadership, financial growth and sustainability, and a dynamic entrepreneurial organisational culture.

The strategies and objectives set out in this Plan aim to strengthen the core activities of the Board, as well as invest in strategic areas that will make it achieve its vision of being a trusted service provider in agricultural commodity trade and food security.

The Board will also be embarking on a series of robust business initiatives that aim to re-position and revitalise commodity trade and grain management through WRS and KOMEX.

Core elements of the Plan include:

**Vision:** A trusted service provider in agricultural commodity trade and food security.

**Mission:** To promote food production, trade in agricultural products and provide premier warehousing.

**Rallying Cry:** “Transformation for prosperity”

### Core values

- Efficiency
- Teamwork
- Integrity and accountability
- Customer service
- Creativity and innovation
- Trust

### The Strategic Direction

During the Plan period, the NCPB will focus on seven (7) Strategic Pillars listed hereunder:

1. Financial Sustainability
2. Commodity Trade
3. Corporate Image and Public Trust
4. Business Collaboration and Networks
5. Human Capital Capacity
6. Physical Infrastructure
7. ICT and Innovation

The strategic Pillars listed above will be achieved through implementation of the seven (7) strategic objectives formulated in the strategic direction with their expected key results/successes and strategies for achieving respective strategic objectives. The seven Strategic objectives:

1. To attain financial sustainability by increasing revenue, optimising costs and aggressive debt collection.
2. To create competitive and sustainable trading.
3. To improve corporate image and promote public trust.
4. To establish and strengthen viable business collaborations and networks.
5. To Attract and Retain Quality Human Capital to Improve Organisational Performance.
6. To improve the physical infrastructure.
7. To leverage on ICT to deliver quality service.

The Strategic Plan will be implemented within the logical framework (log frame) or matrix which details out:

- Key activities for each strategy
- Performance indicators
- Expected outputs/results
- Responsibility centres within the Board
- The budget for each activity
- Time frame – the target date within which the activities of the Strategic Plan will be implemented and outputs/results realised.

It is important to note that the implementation log frame/matrix will be an important management tool during Strategic Plan implementation in the context of:

- Preparing budgets and allocation of funds and resources;
- Management and co-ordination of Plan implementation;
- Developing and operationalising comprehensive monitoring and evaluation (M & E) system;
- Monitoring progress and feedback reporting during Plan implementation; and
- Evaluating outputs/Results and outcome or impact as well as reporting and disseminating the outputs and outcome.

# 01

## Introduction

### 1.1 History and the Mandate of the NCPB

National Cereals and Produce Board (NCPB) has a long history, which dates back 1939. It started as Maize and Produce Board formed to support marketing of grains produced by the colonial settlers both locally and internationally. In 1967, there was amalgamation of the Maize and Produce Marketing Board with all other regional marketing boards into the Maize and Produce Board. This was to consolidate the marketing of maize within the region after independence of the East African Nations. Later, the Maize and Produce Board merged with Wheat Board of Kenya thus putting the two major grains in the country under one umbrella. This was to ease the control of the cereal subsector.

In 1985 the NCPB Act, Cap.338 was enacted creating the NCPB as a state monopoly charged with the mandate to control the procurement and distribution of maize, wheat and scheduled agricultural commodities. Through a series of economic reforms in 1980s and 1990s, the grain industry was liberalised in 1993 and the Board was finally commercialised with effect from July 1997.

Since the liberalisation of the grain sector in 1993, NCPB functions and mandate has changed from a quasi-monopoly to a trader in commodities and farm inputs. Currently, NCPB is categorised as a commercial organisation with the sole objective of providing agro-based products and services at a profit. The following are the current functions and mandate of NCPB:

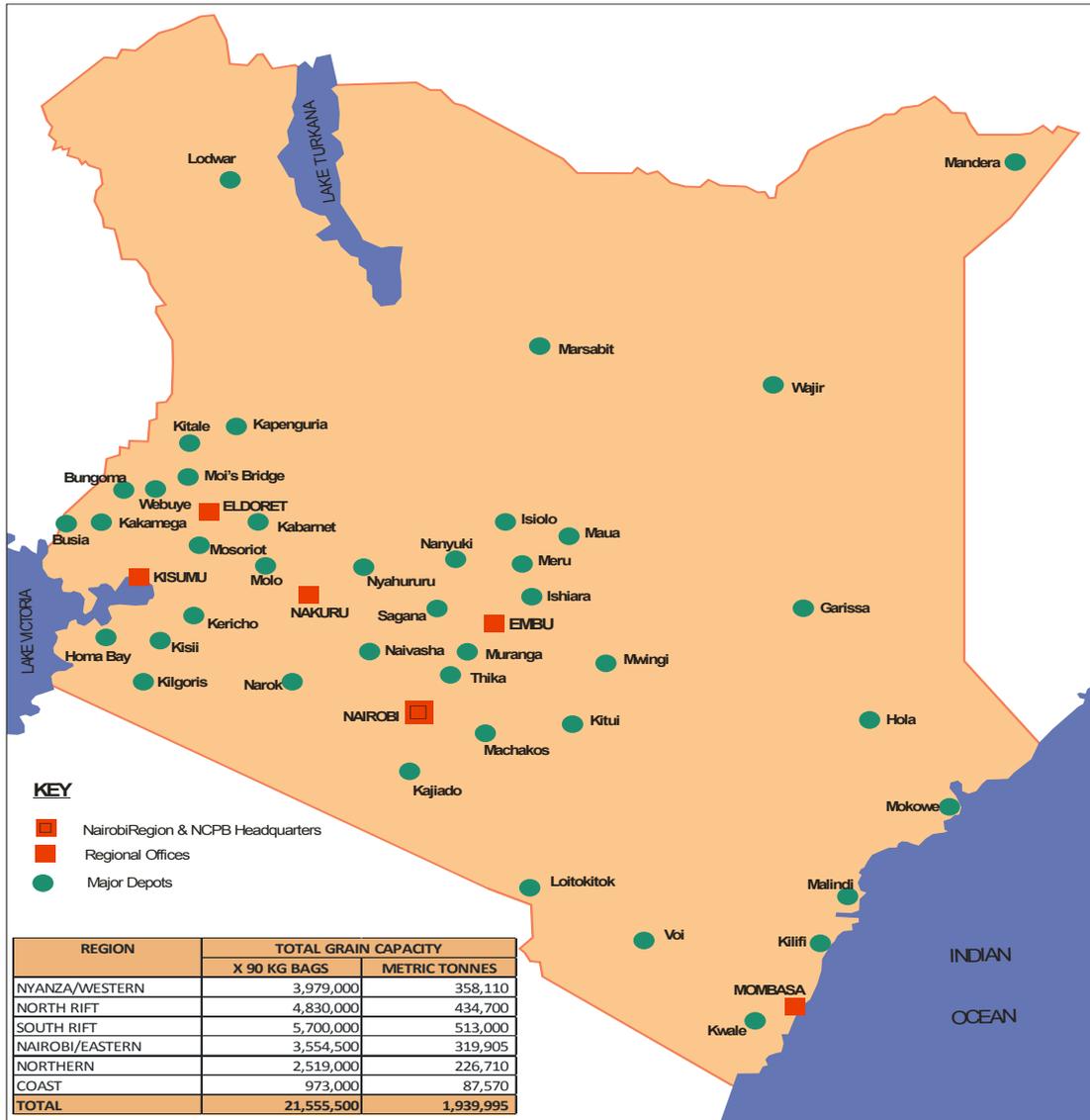
1. Commercial commodity trading of grains, fertiliser and agro-chemical.

2. Provision of grain related services such as pest control, warehousing, drying, clearing and forwarding.
3. Procurement and management of grain on behalf of the government on agency basis to secure the strategic grain reserves (SGR) and famine relief stocks (FRS).
4. Logistics support service provider on food security issues.
5. Market intervention on behalf of government for grains and farm inputs.

National Cereals and Produce Board Act, Cap. 338 of The Laws of Kenya lists the Functions of the Board (Clause 4) as:

1. To regulate or to control the collection, movement, storage, sale, purchase, transportation, marketing, processing, distribution, importation, exportation, disposal and supply of maize, wheat and scheduled agricultural produce;
2. To buy, store, sell, import, export or otherwise acquire and dispose of maize, wheat and scheduled agricultural produce in such manner, such quantities and on such terms as it may, from time to time, deem necessary to fulfill the requirements of producers and consumers in Kenya;
3. To advise the Minister on the proper production of maize, wheat and scheduled agricultural produce in relation to the needs of Kenya, and the extent to which control over the exportation and importation of maize, wheat or scheduled agricultural produce is desirable or necessary;
4. To do any other act which is connected or incidental to the foregoing.

## NCPB Network and Storage Capacities



# 02

## 2.0 The New Strategic Framework

The strategic framework has been structured to define how strategies and activities support the key objectives under every strategic pillar. To ensure success, the strategic framework was based on NCPB organisation's mission, vision and core values (MVC). This Chapter, therefore, sets in place policy direction of the NCPB for the 2020 - 2023 period. The Board's Vision will guide its long term aspirations. The Mission statement details the path which the Board will take in actualising this long term strategy while the Core Values have been aligned to the prevailing operational environment and focus organisational synergies on long term goals. The Vision, Mission and Core Values will form the primary communication tools for NCPB.

### 2.1 The Strategic Direction

During the Plan period, the NCPB will focus on seven (7) Strategic Pillars and respective strategic objectives as summarised below:

| No | Strategic pillars                   | Strategic Objective(s)  |
|----|-------------------------------------|---|
| 1. | Financial Sustainability            | To attain financial sustainability by increasing revenue, optimising costs and aggressive debt collection |
| 2. | Commodity Trade                     | To create competitive and sustainable trading   |
| 3. | Corporate Image and Public Trust    | To improve corporate image and promote public trust   |
| 4. | Business Collaboration and Networks | To establish and strengthen viable business collaborations and networks                                   |
| 5. | Human Capital Capacity              | To attract and retain quality human capital to improve organizational performance                         |
| 6. | Physical Infrastructure             | To improve the physical infrastructure  |
| 7. | ICT and Innovation                  | To leverage on ICT to deliver quality service   |

## 2.2 Vision

“A trusted service provider in agricultural commodity trade and food security”

## 2.3 Mission

To promote food production, trade in agricultural products and provide premier warehousing

## 2.4 NCPB Core Values

The NCPB core values provide a guideline that defines the Board and how it should behave in business. These include:



Efficiency



Teamwork



Integrity



Customer Service



Creativity and Innovation



Trust

| No | Core Value                   | Operationalisation   |
|----|------------------------------|--|
| 1. | Efficiency                   | We will handle trade in agricultural commodity and related services in an effective and timely manner.   |
| 2. | Teamwork                     | We will exhibit high level of dedication and passion for results and ensure that information reach all stakeholders on the services of NCPB  |
| 3. | Integrity and accountability | NCPB will adhere to professional work standards and regulations at all times so as to undertake its programmes and activities in an accountable, honest, transparent and impartial manner. |
| 4. | Customer service             | We will focus on our customer and stakeholders needs by ensuring win-win arrangements with producers and traders.  |
| 5. | Creativity and innovation    | We will embrace innovativeness using original ideas in enhancing implementation of NCPB business as a learning organisation that continuously embraces change.                             |
| 6. | Trust                        | We endeavour to be dependable to our stakeholders and customers.   |

## 2.5 Implementation Framework

The Strategic Plan will be implemented within the framework of the implementation matrix that details the strategies and activities that will be carried out to achieve the strategic objectives. The success of the Strategic Plan implementation will depend on how the planned strategic activities and outputs will be effectively monitored and evaluated. Progress reports will be prepared regularly by the heads of departments and presented to the PMET, chaired by the Managing Director as per the budgetary cycles, with a purpose to inform individual KPIs. The reports will describe actions taken by the HoDs toward achieving specific strategies of the Plan and will include costs, benefits, performance measures and progress. The Strategic Plan will be evaluated quarterly, annually and at the end of the three-year period to ensure relevance, feasibility and delivery of sustainable outputs.

## 2.6 Key Success Factors

The factors key to the success of this Strategic Plan will require NCPB to:

1. Ensure that there is effective resource mobilisation across its networks.
2. Continuously build capacity among its staff.
3. Ensure that all its business processes are automated across its network.
4. Ensure that all staff work as a team and be motivated.
5. Ensure that they practice good corporate governance.
6. Ensure that effective planning, monitoring, evaluation and reporting is in place.
7. Actively participate in relevant national, regional and international fora.

## 2.7 Anticipated Risks

The Strategic Plan has addressed various anticipated risks associated with the implementation of the strategies and given respective mitigation measures. The identified risk areas covered include strategic risks; organisational risks; operational risks; financial risks; and technological risks – all of which are significant to NCPB.



*“The great thing is not so much where we are coming from, but in which direction we are heading” .....Anonymous*

# 03

## 3.0 Rationale for Preparation of the Strategic Plan

The Strategic Plan for period 2015/16 to 2019/20 came to an end on 30<sup>th</sup> June, 2020 and necessitated the development of a new Strategic Plan. In addition, there is need to align the Board's activities to the government development plans. Therefore, the Board has developed a three (3) year Strategic Plan to cover the period 2020/21 to 2022/2023 aligning it to current medium term plan 2018 – 2022.

There has been policy changes in the agriculture sector that will impact on the operations of the Board. The Agricultural Sector Transformation and Growth Strategy (ASTGS) – 2019, to 2029 was launched in 2019 to transform the country's agriculture sector including improving food and nutrition security and ensure availability of affordable food to vulnerable Kenyans.

The strategy has three anchors and six flagship projects, of which flagship five (5) has an impact on the future operations of the Board. The indicated flagship, targets to *“restructure the governance and operations of the Strategic Food Reserves Trust Fund to better serve 4 million vulnerable Kenyans”*. This will involve establishing the National Food Reserve supported by commercial processes, the Warehouse Receipt System and targeted incentives for registered farmers.

Moreover, the reforms include added responsibilities on the Board including:

- (a) Institutionalising the Food Balance Sheet Committee within NCPB.
- (b) Restructuring NCPB to create the NCPB Trading Division, which will operate a commercial agricultural hub model.
- (c) Availing seven million bags of storage space through competitive commercial leases to other players to encourage the private sector participation in the agriculture chain and the establishment of the Warehouse Receipt system in the country.

### 3.1 Review of Previous Strategic Plan 2015-2020

An overview on the implementation of the antecedent Strategic Plan 2015-2020 was conducted with a view to establishing the gaps, challenges encountered, emerging issues and key lessons learnt in addition to mapping out NCPB stakeholders and competitors.

The key achievements, challenges encountered and suggestions for improvement are as enumerated hereunder:

| Strategic Objectives   | Achievements  | Challenges Encountered   | Suggestions for Improvement   |
|--|---|--|---|
| <b>To transform NCPB to GCK as a corporate commercial enterprise</b> | The GCK Draft Bill was drafted and presented to Parliament for enactment. It is still lined up for debate.  | The Board was not in control of the enactment of the Bill that would have resulted to the envisaged transformation.                              | A new Reform and Restructuring process has been approved by the Cabinet where NCPB and National Food Reserve (NFR) will be merged to bring about structured grain handling and marketing framework to ensure enhanced national food security. |
| <b>To undertake asset rationalisation and acquisition</b>            | Asset mapping and profiling was completed and report adopted by BOD.  | The exercise took inordinately long period due to the widespread of the Board's network and internal inexperience.                               | There is need to continuously validate the Asset Register.  |
|  | Asset valuation, tagging and rationalisation was done in 2015 and 2018 and report adopted by BOD  | The Board has many assets spread across its network most of which are silo spare parts. Compiling and segregating these assets was a challenge.  | Digitalisation of the Asset register will be prioritised during the current planning period.  |
|  | The Procurement Manual containing the Asset Disposal Policy was developed.  | The Board lacked internal capacity to come up with the Procurement Manual, hence the service was contracted.                                     | Approval process for the manual shall be fast-tracked to give way for the implementation of the Asset Disposal Policy   |
|  | The disposal of obsolete and unserviceable assets has been undertaken periodically.<br><br>There has been close monitoring and updating of the Asset disposal register to ensure compliance | The absence of the Asset Disposal Policy presented challenges on how best the process was to be undertaken and expert opinions had to be sought. | Remnants of obsolete and unserviceable assets shall be disposed off periodically once the policy is approved.   |

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| <b>To diversify sources of funding for sustained business growth</b> | Diversified revenue generation strategies including development of commercial trading policy was developed.  | The complexities surrounding the Board’s operational environment and especially the need to strike a healthy mix of commercial and social mandates presented major challenges in the development of the commercial policy.        | It is expected that with the creation of the two independent divisions (NTD and NFR) in the management structure of the Board, ambiguity in role definition and execution shall be eliminated.                            |
|  | The Restructuring report was finalised and sought for Government capital injection to the tune of Kshs.5.1billion to fund NCPB operations.                                       | The recommendations of the Restructuring report are yet to be fully implemented by the Government.  | Through the on-going reform agenda, the issue of the balance sheet restructuring shall be pursued. Debt collection initiatives shall also be up-scaled.   |
|  | There has been heightened efforts by both management and BOD to lobby Government to settle outstanding debts.  | Fiscal challenges facing the government occasioned mainly by effects of natural calamities (Drought, Desert locust invasion, Covid-19 pandemic) have increasingly complicated government efforts to settle the outstanding debts. | The goodwill demonstrated so far by the government towards streamlining the national food chains is expected to trigger the release of the much awaited funds to facilitate seamless implementation of the reform agenda. |
|  | The Board developed the Leasing Policy and reviewed market rates for leased facilities.  | This was an expensive exercise that demanded valuation of the various facilities.   | Periodic review of terms of lease for the various properties shall be conducted dutifully.  |
|  | All depots are operated autonomously as profit.  | The change from public service mind-set to a customer-centred culture by depot staff was a challenge.   | Customer-focus and quality service doctrines shall be embraced and become the new normal moving forward.  |
|  | The development of idle land through PPP to generate revenue was kept in abeyance pending approval by BOD and other government agencies in line with the National policy on PPP. | The PPP policy is ambiguous and demands for quasi-approvals by other government agencies and departments.   | The formulation and approval of the Business Collaboration Policy in 2020/21-2023/24 will unbundle the tenets that hinder unfettered implementation of the National PPP Policy framework.                                 |

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|--|--|--|---|
|  | The Board has continuously refurbish/ upgraded property/ assets for revenue generation as and when funds for the purpose become available.   | Perennial financial inadequacy has hindered massive refurbishment of facilities.   | With the expected injection of funds by the government to undertake the reform agenda, key among them being the establishment of WRS, the Board shall utilise the allocated funds to refurbish its facilities in order to comply with the set WRS standards.  |
| <b>To institute cost efficiency measures</b> | The Board deliberately developed and implemented cost rationalisation strategies to bring about efficient management and utilisation of available resources including staff rationalisation and outsourcing of services. | Implementation of austerity measures faced unprecedented challenges through staff inertia. Despite the existence of these challenges, cost reduction strategies were developed and implemented. Staff rationalisation was achieved through job evaluation and work load analysis through consultancy by Ernest and Young. Service out-sourcing policy was developed but required re-evaluation to determine activities to be outsourced in view of the changing operating environment. | The on-going reform agenda is expected to bring about the desired changes in the operations of the revamped NCPB. The injection of the private sector thinking is expected to demystify the public-service thinking mindset among existing staff and usher in a culture that would catapult the revamped NCPB to the next level of commercial thinking and undertaking. |
| <b>To establish and operationalise WRS</b>   | WRS policy and communication strategy was developed but the certification process was kept in abeyance pending approvals of the various statutes for the establishment of WRS.   | WRS policy was developed against the back-drop of the envisaged WRS Act and Regulations which were released in June 2019.  | The revamped WRS Agency is expected to take a pivotal role in the establishment of a functional WRS in line with the cabinet approval.  |
| <b>To champion establishment of KOMEX</b>    | Organisational lobbying for the establishment of commodity exchange (KOMEX) was conducted.   | The statutory approvals were not received to operationalise KOMEX.   | The ongoing reform agenda is expected to unlock the inertia that hitherto existed towards the establishment of WRS and KOMEX.   |

|   |   |  |   |
|---|---|--|---|
| <p><b>To enhance provision of grain management services</b></p>                   | <p>Value addition initiatives on post-harvest management and other services were developed including expansion of agency business model.</p>  | <p>The activation of the agency business model with seed Companies, Chemicals and hematic bags dealers at the selling points (depots and silos) was poor leading to poor business relationship between the Board’s front-office staff and the vendors.</p> | <p>The formulation and roll-out of the commercial policy will lead to streamlined collaboration with commodity owners.</p>  |
| <p><b>Increase product portfolio</b></p>  | <p>Business diversification for competitive advantage was undertaken through the installation of a rice milling plant at Sagana depot in July 2016.</p>   | <p>The plan to install other milling plants for wheat and maize remained a mirage owing to inadequacy of capital outlay.</p>   | <p>The Business Collaboration policy will explore feasible avenues to attract funding for the implementation of the twin project of establishing maize and wheat milling plants to grow the Board’s products portfolio.</p>             |
|   | <p>The Board developed concept papers for the establishment of fertiliser blending and jute bag manufacturing plants.</p>   | <p>The GOK fertiliser subsidy programmes and the envisaged transformation of NCPB caused the shifting of focus on these twin projects.</p>   | <p>The on-going reforms will provide viable platforms to pursue the projects and especially the creation of the National Trading Division (NTD) that is expected to enjoy some autonomy in business-decision making processes.</p>      |
| <p><b>Develop and implement framework for partnerships and collaborations</b></p> | <p>Partnerships and collaborative approaches were adopted to grow NCPB business through formation of Commercial trading policy. The CSR policy framework was equally developed and rolled out across the Board’s network.</p> | <p>The Board lacked human resource capacity and has since taken cognisance of the fact that not all functions must be done by staff and therefore needs to focus on outsourcing.</p>   | <p>Enhance collaborations with County Governments, MoALFC, AFA, etc in the distribution of farm inputs and provision of other technical services to improve food productivity and security shall be prioritised during 2020 – 2024.</p> |

|  |  |   |  |
|--|--|---|--|
| <b>To strengthen HR capacity to support enterprise development</b> | The Communication policy and HR policies and procedure manuals were developed/ reviewed to strengthen Board's Corporate Governance. Career progression guidelines were also developed.   | The HR field is wide and depends on a number of HR statutes and guidelines. Harmonising and aligning all these statutes and other guidelines issued by Public Service Commission and other relevant bodies (SRC, SCAC, etc) and the use of internal capacity was a challenge. | The implementation of the policies and other HR guidelines shall be implemented in addition to aligning them with the Public Service Guidelines and MWONGOZO among other improvements as guided by SCAC. |
|  | Strengthened performance management system and built staff capacity on enterprise development and business promotion through the introduction of Balance scorecard performance model in 2017. Continual training in various areas to address skill gaps and prepare employees for new ways of doing business was heightened. | Capacity building to internalise and effectively evaluate performance took inordinately long time and a bit of resources.   | Performance management and customer-centric culture shall form the cornerstone of the Board's commercial agenda and shall be replicated at all levels of the Board's operations.                         |
|  | Implemented the recommendations of Work Load Analysis and Job Evaluation report undertaken by SRC and Ernst and Young.   | The exercise was a bit complex and costly   | The creation of the National Food Reserves (NFR) division at NCPB, will necessitate the need for work load analysis and job evaluation during the 2020/21 – 2023/24 planning period.                     |
|  | Mainstreamed youth, women, and persons living with disability in NCPB businesses through provision of targeted tenders.  | Financial constraints hindered attainment of the targeted value of tenders to this special category.  | The reforms will usher in new business opportunities and the Board shall endeavour to prioritise awards to the special category  |

|   |   |   |   |
|---|---|---|---|
| <p><b>To provide conducive work environment for improved performance</b></p>              | <p>Conducted and implemented work environment satisfaction surveys to guide improvements of conducive work environment for improved performance. Employee satisfaction index was 64.8% and 57.24% in 2016/17 and 2018/19 respectively.</p>                      | <p>The expansiveness of the Board's network presented some reach-challenges</p>   | <p>Employee satisfaction survey shall be conducted externally during 2020/21FY to validate the satisfaction index generated in 2018/2019.</p>   |
| <p><b>To improve physical infrastructure for enhanced efficiency and productivity</b></p> | <p>Developed a comprehensive physical infrastructure improvement plans to guide in the upgrade of existing infrastructure facilities and establishment of a grain/fertiliser handling facility at the ports and warehouses in key business potential areas.</p> | <p>Most of the planned infrastructure upgrade programmes were not implemented due to financial constraints.</p>                                       | <p>The reform agenda is expected to unlock the much needed resources for the implementation of the improvement plans to meet the set WRS standards in addition to the facilities expansion programme.</p> |
| <p><b>System that supports business operations</b></p>                                    | <p>An integrated ICT system was designed. The ICT Policy was also developed to guide in the implementation of the various ICT-based programmes.</p>   | <p>Limited ICT skills base hindered the smooth implementation and roll-out of the system.</p>   | <p>ICT system to accommodate the expanded mandate of NCPB that shall include the hosting of the Digital Food Balance Sheet.</p>   |
|   | <p>Procurement of ICT infrastructure has been undertaken continuously.</p>  | <p>ICT upgrade programme has been affected by financial constraints leading to a scale-down on purchase and implementation of planned activities.</p> | <p>Efforts to secure external funding for the ERP upgrade project to usher in a robust web-portal, e-commerce, LAN/WAN Connectivity among other ICT programmes is underway.</p>                           |

|  |   |  |   |
|--|---|--|---|
|  | Capacity building on ICT through internal staff training to enhance ICT skills and competences was intensified. | Resource scarcity hindered the engagement of professional trainers | Deliberate efforts have been put in place to build capacity of internal trainers. |
|--|---|--|---|

### 3.2 Lessons Learnt

From the foregoing review, the following lessons were learnt:

1. There was need to set aside adequate financial resources to facilitate smooth implementation of the strategic plan;
2. The Board was relying on funds arising from the settlement of outstanding payments by GOK for services rendered for the implementation of the Strategic Plan, the current situation has not changed;
3. The NCPB committed itself on a number of programmes for which it had no control over such as the establishment of Grain Corporation of Kenya (GCK), the Warehouse Receipt System (WRS), and the commodity exchange (KOMEX);
4. Assumed that the Board had adequate HR capacity to implement the plans, yet there have been competencies gaps;
5. Dependence on GOK programmes, e.g, purchase of maize for the National Food Reserves, fertiliser subsidy programme and other GOK intervention programmes instead of growing the commercial wing. These programmes were unsustainable.

### 3.3 Strategies for Implementing the New Strategic Plan

Implementation and co-ordination of this Strategic Plan will be carried out through the structures within the NCPB and intended reforms. This, therefore, calls for successful cross-functional execution of strategic objectives as spelt-out in the Strategic Plan. The Board will pursue the following strategies to ensure effective implementation of this Strategic Plan:

#### Capacity Development:

This will entail continuous training, capacity-building and regular appraisal of staff to ensure that they remain capable to implement the Boards' mandate.

#### Phasing and Sequencing:

Annual Corporate work plans will be developed to guide the implementation of activities related to Board's core mandate to ensure resources are targeted to priority

projects and appropriately allocated in line with the Plan.

### **Quick Wins:**

Programmes which can realise results in a relatively short period of time during implementation of this Strategic Plan will be identified and used to demonstrate results and provide impetus for implementation of other programmes and activities.

### **Results-Based Management:**

The Board will focus on the key outputs and impacts relevant to the needs of stakeholders while ensuring that internal processes are streamlined to facilitate quality service delivery with the help of technology.

### **Prudent Risk Management:**

This strategy amplifies the role of internal auditing in preventing lapses in evaluating financial risks, exercising financial controls, forecasting emerging financial challenges and monitoring governance as part of the prudent financial management.

### **Develop Efficient and Effective Responsive Distribution System:**

The Board will develop a responsive distribution system that will meet her client's expectations and serve the demand and supply of the market while focusing on effectiveness and efficiency. Responsiveness of distribution system will also be enhanced through digitalisation which has the ability to respond to shifting market demands. The use of social media platforms such as Facebook, Twitter, etc in accessing new markets will be embraced.

### **Corporate Branding, Media Relations and Communication:**

NCPB will work closely with the media to rekindle its corporate image in addition to informing the public of its mission, vision, shared values, strategic policies and practices in a positive, consistent and credible manner. Internal communication strategies will also be used to pass information to staff and other stakeholders clearly and regularly.

### **Implementation of Agricultural Reforms:**

The implementation of the wider agricultural reforms under ASTGS is expected to result to enhanced product portfolio and expanded market. Key among these reforms

is the operationalisation of WRS where the Board shall act both as a depositor and a trader.

**Reliable ICT:**

The Board shall leverage on its established ICT infrastructure to grow its business.

# 04

## 4.0 Monitoring and Evaluation Framework

The M&E will be based on the key performance indicators (KPIs) set in the implementation plan. The means for verification will be the instruments adopted to establish whether the planned strategies are on course. Regular assessment of the progress made in implementing a Strategic Plan will be critical if the desired results would be achieved. This will be carried out through Monitoring, Evaluation and Reporting. NCPB Monitoring, Evaluation and Reporting framework is broadly outlined. The framework will allow for tracking of projects and programmes outlined in the Strategic Framework, assessment of the impact of key programmes and, in both processes, the reporting of results to stakeholders.

NCPB will put in place the Planning, Monitoring and Evaluation Team (PMET) to oversee the implementation of the Strategic Plan within the specified period of 3 years. The PMET will consist of heads of departments under the chairmanship of the Managing Director who will provide technical and administrative support. The team will translate the strategic targets into departmental objectives, which will be translated into sectional and individual performance targets.

### 4.1 Review of the New Strategic Plan

A mid-term review of the Strategic Plan will be carried out to determine the level of necessity for reviewing the Strategic Plan. The report of this review will guide

implementation of programmes during the remaining duration of the Plan. At the end of the implementation process, a terminal or end-term review will be carried out to assess overall implementation rate and provide critical learning points for the next Strategic Plan.

## 4.2 Performance Reporting

The performance of various levels shall be continuously reported against the agreed targets in the Performance Agreement (PA). The PA will also be used for staff performance appraisals. Progress reports will be prepared regularly by the implementing departments as per the budgetary cycles. The reports will describe actions taken by the departments towards achieving specific strategies of the Plan.

The usefulness of reporting is that it is a way of communicating with all stakeholders regarding the implementation of programmes and thus gaining valuable feedback and support. Reports of monitoring activities carried out in the Board will be prepared on a quarterly basis for discussion by the management. A brief of these reports containing key issues will be submitted to the Board of Directors on a bi-annual basis for discussion and policy guidance.

## VISION

*A trusted service provider in agricultural commodity trade and food security*

## MISSION

*To promote food production, trade in agricultural products and provide premier warehousing*

## CORE VALUES

|                                     |  |
|-------------------------------------|--|
| <b>Efficiency</b>                   | <i>We are committed to handling agricultural commodities and other services including shorter timeframe for receipt and distribution of products</i> |
| <b>Teamwork</b>                     | <i>We are committed to enhance synergy building to all our stakeholders</i>  |
| <b>Integrity and Accountability</b> | <i>We adhere to professional work standards, regulations and willingness to accept responsibility at all times.</i>                                  |
| <b>Customer Service</b>             | <i>We provide quality service to enhance customer loyalty, trust preferences and ensure our products and services are relevant</i>                   |
| <b>Creativity and Innovation</b>    | <i>We promote innovativeness using existing or original ideas in enhancing implementation of NCPB business.</i>                                      |



## National Cereals and Produce Board

### **QUALITY POLICY STATEMENT**

National Cereals & Produce Board is committed to trading in agricultural commodities and provision of related services including premier warehousing solutions that meet the needs and expectations of our customers and interested parties.

#### **The Board shall pursue these commitments by:**

- ❖ Establishing quality objectives every financial year based on the strategic plan and which shall be reviewed annually for appropriateness;
- ❖ Seeking to understand and satisfy the needs of our customers and interested parties;
- ❖ Strengthening human resource capacity and providing a working environment conducive for improved employee performance;
- ❖ Fostering collaboration and partnerships with relevant interested parties to inter alia improve quality of Board's products and services;
- ❖ Enhancing post-harvest value addition and quality management services;
- ❖ Embracing best practices, innovation and appropriate technology in all operations and business processes;
- ❖ Monitoring and evaluating the implementation of the Quality Management system for continual improvement.

This Quality Policy Statement shall be reviewed periodically to take into account the changing context of the Organization and to ensure conformity with applicable requirements.

  
 Joseph M. Kimote  
**MANAGING DIRECTOR**  
 Issued September 2020

**Leaders in Trade & Management  
of Agricultural Commodities**