Foreword

By the Board Chair

The COVID-19 pandemic is a global crisis which is affecting the agriculture and manufacturing sectors. The pandemic has also created opportunities in the food and agriculture industry. To address such challenges and opportunities, there is a need for public and private consultation for any decision around the supply of food and agricultural commodities for a coordinated response and industry-wide strategy to cope with the impact of COVID-19 and to guarantee continued supply of safe food and healthy agricultural commodities. The changes to the international context will likely continue to yield a lower demand for Kenya’s priority export commodities while border restrictions will have an impact on the regional trade.

With the world economy potentially taking a few years to recover to its pre-2020 levels, the fresh produce industry in Kenya must take urgent measures to get back on to the recovery pathways. This strategic plan is meant to put FPEAK members on this path of recovery and enhance the competitiveness of Kenya’s fresh produce exports yet again. Critical success factors to realise this vision include a friendly business environment, improved performance of horticultural sector and partnerships with government, industry service providers and development partners.

The Fresh Produce Exporters Association (FPEAK) must quickly adjust to the changing times and adopt necessary recovery measures as fast as possible and move twice as fast in order to ensure fresh produce exports from Kenya are sustained. Agricultural producers, traders and food business operators need to keep essential food supplies flowing, minimise exposure to the current challenge posed by the COVID-19 pandemic and person-person transmission of the virus. At the same time, businesses have to meet new Sanitary and Phytosanitary (SPS) measures being imposed by importing countries to minimise the spread of food safety and agricultural health risks. If the risks are not addressed, agricultural products may take long to get SPS-related border clearance to access regional markets.

This Strategic Plan (2021-2025) thus addresses the current challenges industry faces while exploring new opportunities to build resilience and boost productivity and market access. It outlines measures necessary to protect industry workers, strengthen food hygiene and sanitation practices among traders and food business operators, and strengthen industry practices to enable compliance with measures to enable compliance to address SPS risks in general as pre-conditions for export of food and agricultural commodities.

FPEAK will partner with other private sector business member organizations, MDAs and development partners in Kenya to support the initiative to keep trade in agricultural commodities and services flowing to high value markets, while ensuring SPS measures are adhered to, and minimising the spread of COVID-19.

The Board of FPEAK is committed to ensuring that resources, both financial and human are available for effective implementation of this Strategic Plan and to achieve our overarching vision of making Kenya’s fresh produce the global choice by developing, promoting and uniting the Kenyan horticultural industry in the global market.
Preamble
By the Chief Executive Officer

Hosea Machuki
Chief Executive Officer

Fresh Produce Exporters Association (FPEAK) is delighted to present this second strategic plan as a tool to assist members in post-COVID-19 recovery and enhance the competitiveness of the Kenya’s fresh produce exports. The vision of this strategic plan is to ensure larger shares of domestic and international markets are secured through supply of high quality and cost-effective products. Many challenges abound, particularly in recovery of our markets and repositioning our industry as a global leader and a choice for sustainable sourcing of cost-effective, safe and reliable fresh produce.

This Strategic Plan (2021-2025) thus envisages an improved business environment, high industry efficiencies and better service delivery to our members. It outlines measures necessary to protect industry workers, strengthen food hygiene and sanitation practices among traders and food business operators, and strengthen industry practices to enable compliance with measures to enable compliance to address SPS risks in general as pre-conditions for export of food and agricultural commodities.

Implementation of this Strategic Plan calls for close partnerships and support from our stakeholders in government, private sector, and development partners. The strategic plan will be a useful planning tool to our esteemed members in attaining shared prosperity, establishing linkages for technology and innovation, and for upgrading production and market systems. Effective business support services are necessary to realise the desired change.

Overall, FPEAK will continue demonstrating compliance to various regulatory requirements and market standards to build resilience and business sustainability. With increased sanitary and phytosanitary threats on our horticultural exports, FPEAK will collaborate with SPS agencies and industry experts to address these concerns along the supply chains. FPEAK will also continue market promotion measures to expand markets globally for our horticultural produce. FPEAK Secretariat will thus play a central role in coordinating implementation of this Strategic Plan.
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1 Introduction

1.1 Background

Fresh Produce Exporters Association of Kenya (FPEAK) is the oldest private association in the horticultural industry in Kenya having been established in the year 1975 to enhance the Country’s competitiveness in the horticultural export market. FPEAK is a membership association registered under companies act as a company limited by guarantee.

FPEAK is led by a Board of Directors and a management team that oversees its day to day operations. The board consists of members of the association who are elected to office for a term of up to 6 years in accordance with the Association’s constitution. Membership is open to small, medium and large horticultural exporters. The Association finances runs its routine activities through cess paid by members and also from revenue generated from other services provided to members such as training. A limited number of programs are however currently funded through program support sourced from development partners.

The rapid changes that are taking place in the horticultural sub-sector globally have necessitated the need for FPEAK to adjust its existing organizational structures to make them more suitable for effective delivery of services to association members. These changes include rising competition, increasing costs of production and more stringent local and market regulations that must be complied with by exporters, especially in the European market, which accounts for over 80% of the industry’s market share.

This translates to the need for the Association to develop and implement coping strategies. Such strategies should address the way FPEAK conducts its business, the way it is organized, and the way it assesses its own performance. The association has over time continued to develop a culture for continuous change, rather than spasmodic changes that take so much energy and raise transactional costs.

A scrutiny of FPEAK as an organization reveals exemplary performance in a number of impact pathways – lobbying for government facilitation, revenue collection, resource management and ability to meet target outcomes. However, the growth in the industry and subsequent member needs has outstripped the Association’s ability to efficiently support their ever-growing needs brought about by global changes in horticultural sub-sector.

The main objective of this Strategic Plan is to enhance the ability of the Association to project and effectively respond to the changing environment.

1.2 Core Services

The Kenyan horticulture sector has an annual value of US$ 2 billion with the domestic and export accounting for US$ 1 billion each. The sector has attracted altogether 1.5 million farmers with 150,000 farmers in active export horticulture and over 600 exporters. It is as a result of the significance of this sector that FPEAK was formed to support growth of the sector.

The core services of FPEAK include:

- Advocacy and Lobbying initiatives aimed at improving the business environment for the horticultural industry both locally and abroad;
- Capacity building at all levels to ensure compliance to market standards and,
- Provision of support to members aimed at the enhancement of market access

1.2.1 Advocacy for improved business environment

Conventionally, the approaches used by many associations in lobbying for improved business environment are confrontational resulting in poor relationships with governments and other policy institutions. FPEAKs approach to advocacy is that of creating partnerships that promote realization of win-win scenarios for all.

Kenyan horticultural industry had for a long time not been represented in international organizations that regulate international horticultural markets. For a period of approximately 12 years, the horticulture industry in
Kenya regulated itself through the FPEAK code of practice. FPEAK has in the recent past spearheaded the development of KS 1758 which is premised on the GLOBALGAP requirements. This was a first major achievement for the Kenyan horticultural industry.

Locally, engagement with the Government on matters of taxation, policies and legal environment had been highly inadequate. FPEAK’s key challenges in its advocacy work revolved around how it could bring into the fold the highest possible number of actors without infringing on the interests of the existing membership, how to ensure that it remained focused and nonpartisan and lastly, how to be thorough and visible. FPEAK resolved to step up its advocacy efforts both locally and internationally to consolidate gains made and create more business opportunities for members. Currently, FPEAK works very closely with key policy organs namely Kenya Plant Health Inspectorate Services (KEPHIS) and Horticultural Crops Directorate (AFA-HCD), Pest Control and Products Board (PCPB) and the Ministry of Agriculture (MoA) – Kenya.

Finally, FPEAK shall continue to work in a manner that does not antagonize the authorities but rather engage them in a positive and persuasive manner for mutually beneficial changes to happen. In this respect, FPEAK shall continue to lobby for a unified national and regional policy on horticultural production and marketing.

1.2.2 Market information

Reliable markets both locally and internationally are critical for the success of FPEAK’s members. Whereas the mandate of FPEAK does not include direct marketing activities FPEAK does have a critical role of lobbying the government to allocate resources to either directly or indirectly support the promotion of Kenya’s produce both locally and internationally. Currently, Kenyan horticulture has been internationally promoted by exporters despite their inadequate resources. These inadequacies have been much more pronounced glaringly at international trade fares where Kenyan stalls are usually too small to attract meaningful attention. Promotional initiatives also require to be pegged to factual and or reliable information. In this regard, FPEAK must continue to support access to information for its members.

Consequent to the foregoing, FPEAK will continue to facilitate and motivate members to develop and implement market penetration / diversification strategies that will result in new buyers and consolidate the position of FPEAK members in both local and international markets. This will be achieved through collaborative market research efforts leading to introduction of new products, value addition, and promotional efforts in both existing and new markets. Further, FPEAK shall explore ways of improving trading conditions with particular regard to lowering the cost of doing business. Finally, FPEAK shall undertake market information and intelligence so as to inform its strategies.

1.2.3 Capacity Building

FPEAK visualizes issues related to capacity building at four levels; board, staff, members and all other stakeholders. FPEAK is a democratically run association whose board is elected to office annually calling for continuous capacity building. To enable the board to effectively articulate association issues, FPEAK shall
continue to train the members of the board.

Understandably, the staff of FPEAK are the engine around which all matters related to the implementation of this strategy revolve. It has been the case in the past and shall remain the policy of FPEAK to ensure the development of capacities of its staff to match its strategic intentions.

FPEAK shall continually support consolidation of certifications to enhance convenience for members in meeting requirements. In this regard, FPEAK shall not work towards setting up standards but shall support organizations involved in standard setting and regulation.

1.2.4 Financial strategy

As a member-based organization, FPEAK will continually face challenges associated with financial sustainability largely because of the necessity to focus on global issues that require resources which members cannot mobilize easily. A good example is that of advocacy initiatives whereby FPEAK cannot lobby for its members alone but for the industry as a whole. The industry in this case includes non FPEAK members who are not in any manner obligated to contribute to FPEAK’s activities.

FPEAK shall continue to ensure continued delivery of services to its membership by adopting a 3-pronged approach:

- **Financing of core costs**
  
  FPEAK shall continue to finance its core costs – office overheads and salaries of core staff through membership fees and revenues that will be generated from strategic services such as training. This strategy will ensure continued service delivery to members without or with minimum disruption mainly at advocacy level.

- **Financing for capacity building programmes for members**
  
  FPEAK shall sustain delivery of capacity building programming by charging members at cost. Non members will be required to pay market rates.

- **Financing of projects**
  
  FPEAK shall continue to mobilize resources to undertake projects that enhance members’ growth. Such projects include infrastructure for training centres, advocacy programmes, market access etc.

1.3 Rationale of the Strategic Plan

FPEAK has embarked on a transformation journey aimed at transforming the FPEAK Board and Management as well as its membership. This it intends to achieve through improved service delivery and corporate governance. The strategic plan outlines FPEAK strategic orientations to achieve the desired future.

This strategic plan seeks to address the general problem affecting majority of FPEAK’s horticultural production and trade whereby there is neither the surplus of marketable produce nor the production capacity to take immediate advantage of new trade opportunities. FPEAK will need substantial investment and technical assistance to change this current situation.

This strategic plan provides a framework for setting goals, defining key strategic actions and mobilizing resources for funding programmes of the association. It lays the ground for enhanced organizational performance of FPEAK premised on a rational utilization of all resources at its disposal. The aim of this plan is to ensure that FPEAK Board and Management team implement this strategic plan through a demonstrated commitment to the mission, vision and strategic framework the Strategic Plan.
2 Situation analysis

This section covers an analysis of FPEAK internal and external environment: (1) Analysis of the external environment entails a review of the global agribusiness megatrends and the performance of Fresh Produce Subsector in Kenya; (2) Analysis of the internal environment entails a high level capability assessment and a SWOT Analysis for the FPEAK Corporate.

2.1 Analysis of the External Environment

2.1.1 Global Megatrends
FPEAK operates in a changing environment influenced by global agribusiness trends. The major trends that are shaping the agriculture sector include:

2.1.1.1 Productivity and Value Addition
Horticultural industry offers opportunities for jobs and income creation particularly among smallholder producers in rural areas of Kenya. The many challenges that include poverty, low productivity, inadequate infrastructure and poorly integrated markets faced by the majority of horticultural producers and exporters in Kenya are worsened by underinvestment in the industry. Potentially, horticulture presents valuable opportunities and benefits for Kenya, in terms of overall processes of production, processing and marketing. However, little attention has been paid to increased productivity and the value added for domestic and regional markets. This neglect results in losses of value added and employment opportunities created by forward and backward linkages in the horticultural industry.

2.1.1.2 Science, Technology and Innovation
Appropriate production technologies must be adopted to upgrade the production and supply chain of fresh horticultural produce. New technologies are transforming horticulture from a labor intensive industry to capital intensive. The steadily worsening labour shortage and rising agricultural wages have led to increased production costs. Most countries are therefore replacing, to a suitable extent, the human and animal workforce with machines to reduce costs, enhance productivity and efficiency and save time to raise horticultural production.

2.1.1.3 Compliance with Market access Requirements
Since the start of the World Trade Organization, trade liberalization and regional integration has widened the markets available for horticultural products. To fully exploit these markets, there is an increased need to ensure compliance to product quality and safety requirements and standards necessary for trade. Better access by small producers to domestic and international markets means that they can reliably sell more produce at higher prices. This in turn encourages farmers to invest in their own businesses and increase the quantity and quality of the goods they produce. Seizing emerging opportunities for promoting agribusiness in the new global context is, therefore, imperative for shared prosperity and economic development of Kenya horticultural industry.

2.1.1.4 Consumer Demand for Safe Food
In the past, producers were in control of their products because there was limited information about the products. Food was sourced locally and their quality was not a big concern. Consumers, particularly in the developed countries, have a strong say about an industry’s production and procedures for their businesses. In response, stakeholders throughout the food value chain are becoming more consumer focused ensuring permanent changes in consumer expectation.

However, in the recent years modern affluent customers are empowered by information and have become more aware and more demanding. Health has become a particularly prominent driver of food choice and consumption patterns. There is a big shift towards consumption of healthy, nutritional, clean, green and ethically produced products especially in developed countries. Stakeholders in the agriculture value chain therefore need to become much more consumer savvy.

2.1.1.5 Integration of youth, women and smallholder producers
With younger people reluctant to follow their parents’ footsteps, the farming sector is experiencing an acceleration of consolidation, further increasing
the concentration of large farms. The shift will enable the entry of two new classes of owners; the first being individual strategic investors, and countries looking to acquire foreign land to secure their national food supply. Secondly, institutional investors and investment firms lured by the potential returns to be gained from increasingly scarce agricultural land and rising food prices. These new owners will likely have different priorities and requirements from those of traditional farmers.

2.1.2 National Policy Environment

2.1.2.1 The Kenya Vision 2030: Vision 2030 is Kenya’s national long-term development blueprint to create a globally competitive and prosperous nation with a high quality of life by 2030, that aims 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. Sustained horticultural production is essential to realisation of the goals and targets of the Kenya Vision 2030.

Kenya Vision 2030 identifies agriculture as a key sector through which annual economic growth rates of 10 percent can be achieved. Under the Vision, smallholder agriculture will be transformed from subsistence activities, marked by low productivity and value addition, to an innovative, commercially oriented, internationally competitive and modern agricultural sector. The Vision advocates for implementation of consolidated agriculture sector reform legislation. The Vision 2030 envisages having an Agriculture Sector Policy and Legal framework. This includes preparation of necessary regulations to actualize implementation of the Acts and setting up institutions such as the Agriculture and Food Authority (AFA); and the Kenya Agricultural and Livestock Research Organization (KALRO).

2.1.2.2 Kenya’s Agriculture Sector Transformation and Growth Strategy (ASTGS)

Kenya’s Agriculture Sector Transformation and Growth Strategy (ASTGS) identifies horticulture among priority sectors with potential to transform Kenya’s agriculture. The ASTGS prioritizes three anchors to drive the 10-year transformation, with specific targets set for the first five years: Anchor 1 focuses on increasing small-scale farmer incomes by raising average annual small-scale farmer incomes by approximately 40% from KES 465/day to 625/day (~35% increase). Anchor 2 focuses on increasing agricultural output and value added through expansion of agricultural GDP by ~6% and growing contribution of agro-processing to GDP over 5 years by ~50%. Anchor 3 focuses on increasing household food resilience through reduction of the number of food-insecure Kenyans in the ASAL regions while reducing the cost of food and improving nutrition.

The ASTGS identifies key areas of focus in horticulture in for the first 5 years as: (i) Aggregators are encouraged to provide cold storage linked to multiple FBOs and contract farmer(s), with quality control services, credit provision and information centre; (ii) Processors are encouraged to establish more units across the country in areas where farmers have organized into groups with an aggregator providing quality control. One of the key flagships under the ASTGS is strengthening...
research and innovation as launch priority digital and data use cases to better drive decision making and performance management. The ASTGS emphasizes on increased access to reliable useable and shareable data, such as the National Horticulture Market Information System (NaHMIS) which provides market information system in the horticulture sub-sector.

2.1.2.3 Integrated National Export Development and Promotion Strategy (INEDPS)

Launched in July 2018, under the aegis of the State Department for Trade, the objective of this strategy is to transform Kenya’s economy through export led industrial, agriculture and trade in services development to increase export worth from Ksh 661 billion in 2018 to Ksh 1.8 trillion by 2023. Persuaded by the need to create employment, particularly among the youth and women, the program is expected to increase jobs from 1.2 million to 4.5 million over the same period. In creating a harmonised facilitative business development environment, the approach is to support the operationalization of an institutional framework of coordination, between the national and county governments focal institutions, including representatives of the private sector under a multiagency special delivery forum / unit. The Chair and convener the forum / unit is the State Department of Trade, through a special delivery unit (DU) at the office of the presidency as a national reporting and reference point on all aspects of INEDPS implementation.

In the horticulture sub sector under the Ministry of Agriculture, activities will be monitored through a common annualized work plan for progress through a Sector Working Group- (SWG), chaired by the Ministry of Agriculture, Co-Chaired by the Council of Governors. The composition of the membership comprises private sector BMOs – FPEAK, KFC, FPC Kenya and KENAF among others. From National Government, membership is drawn from the regulatory agencies (HCD, KEPHIS, PCPB, KeBS, Public Health). The INEDPS envisages the following outcomes:

- Annual growth of exports by at least 25% as a return to the investments under the “Big Four Agenda” among other sectoral interventions as foreseen in the strategy
- Projected growth in exports within the projection of Ksh 661b to 1.8 trillion by 2023
- Diversification of export products through value addition and agro processing
- Diversification of market destinations
- Removal of tariff and non-tariffs trade barriers

2.1.2.4 National Agribusiness Strategy

The purpose of the Agribusiness Strategy (2012) is to guide the agricultural sector’s development and transformation towards its re-orientation from a focus on subsistence to a new focus on meeting competitively the demands of the market and of commercialisation. The objectives of the Agribusiness Strategy are 4-fold: (i) to remove barriers and create incentives for the private sector to invest in agribusiness and related business opportunities; (ii) to invest public resources more strategically to trigger growth in agribusiness; (iii) to make agribusiness systems more competitive, easily adaptable and ‘fleet footed’ in order to deal with dynamic markets and the opportunities they bring; and (iv) to encourage institutional frameworks, which enable all actors to utilise market opportunities.
2.1.2.5 National Biotechnology Policy
Kenya signed the Cartagena Protocol on Biosafety in 2000, and fulfilled the ratification requirements in 2003. In 2006, the Government adopted the Policy on Biotechnology, which stresses the role of biotechnology as a lever for poverty reduction, food security, and conservation of the environment. The policy identifies industry and trade as key areas for using biotechnology. A National Biotechnology Awareness Strategy was developed in 2008 by the Ministry in charge of Science and Technology to promote public awareness, education, and participation.

2.1.2.6 The National Horticulture Policy
The National Horticulture Policy was developed to ensure the growth and competitiveness of the horticultural industry is sustained into the future. While domestic horticultural market constitutes about 95 percent of the total production it contributes almost the same value as the 5 percent of volume exported. This is largely due to poor handling of produce throughout the value chain but more so, after harvest. The policy considers promotion of physical markets, their management, the entire marketing function and maintenance of standards to promote domestic horticultural market as well as advance the export market. Measures at ensuring both socio-economic and environmental sustainability are also given prominence in the policy. The policy is therefore timely, coming when the industry is robust and set to grow to even greater heights.

The multisectoral nature of the industry requires close collaboration among the different sector players. Previous attempts at fostering collaboration and partnerships among players in the industry through the National Horticulture Task Force have made significant strides in improving coordination in the sub-sector. Drawing from this experience, the policy proposes institutionalizing mechanisms to address challenges that are multi-sectoral. In addition, the policy proposes reviewing the institutional framework to enhance coordination in the industry. It is expected that industry players and stakeholders will participate in the implementation of this policy in order for the sector to realise set objectives.

2.1.3 Regulatory Environment and Institutional Arrangements in Horticulture

2.1.3.1 The Constitution of Kenya (2010)
On 27 August 2010, the Republic of Kenya passed its new Constitution replacing the Constitution in force since Independence in 1963. The Constitution is the supreme law of the land and binds all persons and all State organs. Therefore, any law, including customary law, that is inconsistent with the Constitution, is void, to the extent of such inconsistency, and any act or omission in contravention of the Constitution is invalid. The Constitution introduces a two-tier level of legal and administrative frameworks, the national and county levels. These two levels are distinct but inter-dependent, and must conduct their mutual relations on the basis of consultation and cooperation. Article 43 of the Constitution of Kenya defines economic and social rights of every person, including the right to be free from hunger, and to have adequate food of acceptable quality. It also provides for consumer rights in Article 46. “Consumers have the right— to goods and services of reasonable quality; to the information necessary for them to gain full benefit from goods and services; to the protection of their health, safety, and economic interests; and to compensation for loss or injury arising from defects in goods or services. Parliament shall enact legislation to provide for consumer protection and for fair, honest and decent advertising. This Article applies to goods and services offered by public entities or private persons.”

2.1.3.2 Crops Act (No. 16 of 2013)
The Crops Act is an Act of Parliament to consolidate and repeal various statutes relating to crops; to provide for the growth and development of agricultural crops and for connected purposes. The objective of this Act is to accelerate the growth and development of agriculture in general, enhance productivity and incomes of
farmers and the rural population, improve investment climate and efficiency of agribusiness and develop agricultural crops as export crops that will augment the foreign exchange earnings of the country, through promotion of the production, processing, marketing, and distribution of crops in suitable areas of the country.

Horticultural crops, including fruits, vegetables and flowers, are classified as scheduled crops and are subject to development and regulation measures with respect to each scheduled crop. In this regard, the Agriculture and Food Authority shall formulate general and specific policies for the development of horticultural crops; facilitate marketing and distribution of scheduled crops through monitoring and dissemination of market information, including identification of the local supply-demand situation, domestic market matching and overseas market intelligence and promotion activities, among other functions.

2.1.3.3 The Agricultural Produce (Export) Act: CAP 319 revised in 2012
This is an act of parliament to provide for the grading and inspection of agricultural produce to be exported, and generally for the better regulation of the preparation and manufacture thereof. The act covers: Restriction of export of agricultural produce, prohibition of export of unsound produce, seizure and destruction of agricultural produce intended for export.

2.1.3.4 The Plant Protection Act: CAP 324
The Plant protection Act (Cap 324) empowers the Kenya Plant Health Inspectorate Service to issue Phytosanitary certificate before export of plants or plant parts.

2.1.3.5 The Suppression of Noxious Weeds Act: CAP 325
The Suppression of Noxious Weeds Act (Cap 325) is an Act of Parliament to provide for the suppression of noxious weeds. Empowers government officials to enter areas where gazetted noxious weeds are found and control them.

2.1.3.6 The Seeds and Plant Varieties Act, Cap 326
The Seeds and Plant Varieties Act, Cap 326 of the Laws of Kenya, 1972, governs the protection of new plant varieties in Kenya. Under the Ministry of Agriculture, KEPHIS oversees administering all issues related to the protection of new plant varieties. Plant breeder’s rights do not apply to all plant species in Kenya. They are granted, in respect of species or groups specified by the Minister in charge of Agriculture, after consulting with all interested stakeholders. Under the Act, the breeder’s right covers the protected variety itself; varieties that are not clearly distinguishable from the protected variety; and varieties whose production requires repeated use of the protected variety. However, varieties resulting from modern technology are not protected.

2.1.3.7 Pest Control Products Act: Cap 346
The Pest Control Products Act (Cap 346) is an Act of Parliament to regulate the importation, exportation, manufacture, distribution and use of products used for the control of pests and of the organic function of plants and animals and for connected purposes. It came into operation in 1983. The act has provisions on labelling, disposal, registration, licensing and advertising of pest control products in Kenya.
2.1.3.8 The Agriculture and Food Authority Act (No. 13 of 2013)
The Agriculture and Food Authority Act, 2013 is an Act of Parliament to provide for the consolidation of the laws on the regulation and promotion of agriculture generally. The Act provides for the establishment of the Agriculture and Food Authority (AFA). It makes provision for the respective roles of the national and county governments in agriculture excluding livestock and fisheries and related matters in furtherance of the relevant provisions of the Fourth Schedule to the Constitution and for connected purposes.

The mandate of the Authority is to: (1) Administer the Crops Act in accordance with the provisions of the Crops Act; (2) Promote best practices and regulate, the production, processing and marketing of agricultural products. (3) Collect, collate data and maintain a database on agricultural products (4) Determine the research priorities in agriculture.

2.1.3.9 KEPHIS Act (2012)
The KEPHIS Act is an Act of Parliament to establish the Kenya Plant Health Inspectorate Service as a regulatory body for the protection of plants, seeds and plant varieties and agricultural produce; to provide that the Service shall be responsible for administering several other written laws and; for matters incidental thereto or connected therewith. The Act also mandates KEPHIS as the competent regulatory authority to implement the national biotechnology policy and regulations on introduction, transit and use of living modified plants, plant products and other regulated species of plants.

The KEPHIS Act mandates KEPHIS to implement the Plant Protection Act, (Cap. 324); the Seeds and Plant Varieties Act, (Cap. 326); the Agricultural Produce (Export) Act (Cap. 319); and the Suppression of Noxious Weeds Act, (Cap. 325).

2.1.3.10 The Standards Act (Cap 496)
The Standards Act (Cap 496) is an Act of Parliament enacted in 1974 to promote the standardization of the specification of commodities and to provide for the standardization of commodities and codes of practice; to establish the Kenya Bureau of Standards, to define its functions and provide for its management and control; and for matters related to standards. In other words, the Act establishes the Kenya Bureau of Standards (KEBS) and defines its functions, including the development of standards and their enforcement.

2.1.4 International and Regional Trade Agreements

2.1.4.1 Kenya and the World Trade Organization (WTO)
Kenya is an active Member in the WTO Doha Development Agenda (DDA) negotiations as well as in the organization’s regular work. Kenya submitted several notifications to the WTO during the review period.
Kenya aligns its DDA negotiation positions with those taken by the African and ACP groups, as well as other groups depending on the issues at hand. In 2011, Kenya coordinated the African group, and was (and remains) focal point for Africa on negotiations on non-agricultural market access, and for the ACP on services and agriculture.

2.1.4.2 Regional Trade Arrangements
Kenya is a founding member of the EAC, the Inter-Governmental Authority on Development (IGAD), the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC), and the Common Market for Eastern and Southern Africa (COMESA). As part of the EAC it is currently negotiating the EAC-COMESA-SADC Tripartite FTA.

2.1.4.3 Bilateral Trade Arrangements
Kenya has also initialled an Economic Partnership Agreement (EPA) with the EU and continues to engage in these negotiations. Kenya benefits from the U.S. AGOA and the GSP schemes of some developed partners, notably Canada, EU, Japan, Norway, Switzerland, and the United States. It also participates in the U.S-EAC Trade and Investment Framework Agreement.

2.1.5 Trade Environment for Horticultural Imports and Exports

2.1.5.1 Registration and pre-shipment inspection
Trade activities, including imports, are open to both Kenyans and foreigners. The repeal of the Imports, Exports and Essential Supplies Act and the Trade Licensing Act have simplified registration procedures. The documents required for importation of goods include a personal identification number (PIN), from the Domestic Taxes Department of the Kenya Revenue Authority (KRA); and an import declaration form (IDF), which costs 2.25% of c.i.f. value or KSh 5000, whichever is higher.

2.1.5.2 Customs procedures
Kenya Revenue Authority (KRA) is responsible for customs procedures, as well as collection, accounting, and administration of all government taxes, including customs and excise duties and VAT on imports. Kenya has embarked on a wide range of trade facilitation reforms, geared towards improving its global competitiveness. In this respect, in 2005, KRA brought into operation the Simba electronic system, to process customs declarations. In general, the documents required for customs declaration are: the supplier’s invoice, the packing list, the bill of lading, the PVoC certificate of conformity, the import declaration form, the single entry document, the insurance debit note, and the declaration of customs value form. The customs authority may request the importer to provide additional supporting documents.

2.1.5.3 Tariffs and other charges on imports
Since January 2005, Kenya has based its tariff structure on the EAC Common External Tariff. It continues to apply higher tariffs on a list of 58 sensitive items. In addition to tariffs, an import declaration fee of 2.25% is payable on the c.i.f. value of all imports (at a minimum of KSh 5,000). The EAC Secretariat has listed other duties and charges collected within the region, with the view to harmonizing them.

Tariffs for all agricultural products are bound at a ceiling rate of 100%. Kenya has bound other duties and charges at zero. Kenya grants tariff preferences at the zero rate to all products originating from EAC countries, under the Protocol on the Establishment of the EAC Customs Union. It also grants full tariff preferences (on a reciprocal basis) to all products, except sugar, to members of the Common Market for Eastern and Southern Africa (COMESA).

2.1.5.4 Internal taxes
VAT in Kenya is governed by the Value Added Tax Act (CAP. 476) and the Subsidiary Legislations. VAT is applied to all imported or locally produced goods and services. The standard rate of 16% applies to most goods and services; a reduced rate of 14% applies to certain services, in particular hotels and restaurants. The same rate has been adopted as a safeguard measure under COVID-19 situation. Under the fifth Schedule (Section 8) of the Value Added Tax Act, zero-rated supplies include exports of goods and services, imports and purchases by designated persons or organizations, all goods and taxable services destined for the export processing zones. Exemptions are regulated in the second and third schedules of the VAT Act. They comprise, notably, unprocessed agricultural products, as well as processed foodstuffs.
2.2 Assessment of the Internal Business Environment

2.2.1 Stakeholder Analysis
The stakeholders and their interests / concerns have been identified as follows:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Interest / Concern</th>
</tr>
</thead>
</table>
| Regulators (e.g. AFA-HCD, KEPHIS, PCPB) | - Adherence to standards  
- Quality  
- Abide by the laws  
- Improve social-welfare  
- Safe produce  
- Meet environmental standards  
- Meet social standards and growth of industry |
| Members/ Exporters            | - Bigger market  
- Market analysis  
- Increased production and quality  
- Efficiency  
- Increased earnings  
- Recognition by government  
- Guidance and information  
- Transparency and accountability  
- Fair representation  
- Lobbying  
- Recognition of FPEAK  
- Board - strong, integrity |
| Board                        | - Adequate resources  
- Competent staff  
- Increased membership  
- Develop Kenyan image. (Maintain partnerships) |
| Staff                        | - Health and safety / good working conditions  
- Competitive remuneration  
- Training and career development  
- Human rights observed  
- Motivation and team building |
2.2.2 High Level Capability Assessment and Review of FPEAK Current Operating Model

2.2.2.1 FPEAK Organization Structure

FPEAK organization structure is summarized in the organogram below. The General Assembly of Members is the highest governing body, appointing the Board of Directors as a Policy Organ of FPEAK. The Board of Directors is chaired by a Chairperson appointed by the General Assembly during the Annual General Meeting (AGM). The Chief Executive of FPEAK, who is also Head of FPEAK Management team, is Secretary to the Board of Directors. The tenure of the Board is 3 years.

FPEAK Management is headed by the Chief Executive Officer. There are several officers serving on different capacities on a horizontal basis covering technical and administration functions. The technical team is led by a Technical Manager and two Standards & Compliance officers. The Administrative team includes the communications & marketing officer, advocacy and membership officer, and finance officer assisted by a finance assistant.
2.2.2.2 Overview of FPEAK’s Operations
FPEAK’s operational aspects, as viewed by stakeholders, requires improvements for effectiveness and efficiency purposes. Suggestions for improvement, as summarized in the Table below, are drawn from stakeholder consultations.

Table 1: Summary Findings of the Capability Assessment

<table>
<thead>
<tr>
<th>Operational Area</th>
<th>Summary of Improvement Areas/ Key Strategic Priorities</th>
</tr>
</thead>
</table>
| Governance       | ■ Align FPEAK’s Vision and Mission statements as drivers of the Association. The statements should reflect what FPEAK does and have to be communicated and understood by all members.  
■ The organization structure—most often depicted in an organogram but also perhaps in a narrative—is in should be aligned with FPEAK mission, goals and programmes and if systems exist to ensure strong coordination among departments or functions.  
■ Board Composition and responsibilities: Review FPEAK Board’s composition, terms of reference (TOR), procedures and oversight to ensure that the board can provide adequate guidance to the organization.  
■ Legal Obligations: FPEAK’s legal standing—and therefore sustainability—is shaky due to partial compliance with local tax laws. |
| Administration   | ■ Inadequate Operational Policies, Procedures, and Systems. It is necessary to update existing policies and ensure their adherence.  
■ Inadequate travel policies and procedures, especially to ensure compliance with donor rules and regulations.  
■ Inadequate procurement policies and procedures  
■ Inadequate policies and systems for managing fixed assets.  
■ Information systems: the functionality of FPEAK’s information system and policies and procedures require upgrade. |
| Human Resources  | ■ Enhance FPEAK’s ability to maintain a satisfied and skilled workforce, to manage operations and staff time and to implement quality programmes. This includes such areas as Job Descriptions, recruitment policies, staffing levels and salaries, staff performance management and volunteer/internship support |
| Financial Management | ■ Enhance financial system, policies and procedures, especially ability to respond to management needs and donor requirements.  
■ Strengthen internal Controls to adequately safeguard FPEAK’s assets, manage internal risk and ensure the accuracy and reliability of accounting data  
■ Enhance financial planning and develop a system for monitoring budgets and determining additional funding requirements.  
■ FPEAK’s financial reporting system and audits should allow it to meet statutory and donor requirements and stakeholders’ needs for information.  
■ Develop financial sustainability mechanisms |
| Organizational Management | ■ Strategic planning: important to ensure that strategic plan is a tool for realizing vision and mission  
■ Strengthen FPEAK ability to identify and capitalize on new business opportunities through grants and partnerships.  
■ Develop annual operation plans and share with members  
■ Develop comprehensive communication strategy  
■ Enhance ability to coordinate programmes and to involve stakeholders. |
### Operational Area Summary of Improvement Areas/ Key Strategic Priorities

<table>
<thead>
<tr>
<th>Operational Area</th>
<th>Summary of Improvement Areas/ Key Strategic Priorities</th>
</tr>
</thead>
</table>
| Programme Management      | - Enhance ability to respond to donor requirements on programme implementation  
- Enhance FPEAK ability to subcontract with other organizations and monitor technical implementation and financial management of sub-grants.  
- Strengthen ability to document technical activities and results for programme planning and programme development. |
| Project Performance Management | - Develop field oversight policies and procedures  
- Develop project management standards, guidelines and quality assurance mechanisms  
- Enhance capacities to supervise or coordinate projects.  
- Develop monitoring and evaluation tools for project performance management |
| Service Delivery          | - Formulation of a stakeholder engagement strategy that details the synergies and partnership efforts with the various stakeholders  
- Enforcement and display of the service charter in FPEAK and members offices  
- Increased engagement with stakeholders along the value chain  
- Conduct customer/stakeholder satisfaction surveys  
- Increased service delivery through private sector partnerships and organisations |

### 2.3 Analysis of Strengths, Weaknesses, Opportunities and Challenges

#### 2.3.1 Strengths
In fulfilment of its role of enhancing competitiveness of its membership, the Association has developed this strategic plan that will enable it to exploit its strengths and minimize its weaknesses. The following are the key and unique strengths of the Association:

**Membership base**
The Association’s membership cuts across the entire horticultural exports industry. Another strong membership category is that of affiliate members who support the initiatives of the association. If members can receive value adding and unique services from the association, its sustainability will continue to be guaranteed.

**Name and track record**
The Association has managed to carve an admirable position amongst diverse stakeholders who include Government and Donors. With a faster response rate and a proactive attitude, this image can result in to huge dividends for the association.

**Secretariat**
With a competent and fully dedicated secretariat, the association is able to translate member requirements and Board policies into tangible results.

**Board**
Through dynamic leadership, the Board has held the association together, particularly in very difficult times, through its diligence and commitment to the association ideals. A voluntary group of business people, Board members have proved to be a unique resource for the association.

**Financial Stability**
The association has successfully implemented a subscription programme amongst its members for financial sustainability and has operationalized a strategy of employing staff on the basis of the cost centre approach. Programme Staff are consequently paid out of revenues generated by the services they deliver.

**Partnerships (Local and international links)**
The association has strong links and collaboration arrangements with several local and international institutions.

**Strong knowledge base**
The Board and entire membership of the association are all very highly knowledgeable on horticulture and exports.

**Enhanced staff force**
Within the last 5 years, FPEAK has increased its staff force by four times. Currently FPEAK employs more than 8 members of staff. This number is set to increase owing to anticipated higher demand for services with the County Government dispensation now having been operationalized in Kenya.

**Robust Financial policies**
With the transformation that FPEAK has gone through in the recent past, a review of FPEAK’s financial guidelines has been undertaken. The current financial guidelines provide a good basis for managing the organizations finances in line with international good practice.

**Human Resource policies**
FPEAK has recently conducted a review of the human resource policies to ensure that they conform with current practices market human Resource requirements within the Country.

### 2.3.2 Weaknesses
The association recognizes that certain inherent weaknesses have impeded its ability to exploit the above strengths and attain its goals. These weaknesses include:
Inadequate human resource capability
Whereas FPEAK’s staff force has been enhanced tremendously in the past 3 years, there exists inadequacies in its human resource capacity for strategic functions that serve the industry as a whole such as advocacy, information collection and dissemination. The secretariat is overwhelmed with these functions.

Capacity building does also have serious human resource gaps. For example, FPEAK has in the past 3 years trained 3,000 farmers without a follow up and evaluation programme owing to staff inadequacies.

No Resource Centre Knowledge Management. An Information hub has been proposed but not yet realized to date. There is need to develop a robust resource centre.

Inadequate mechanisms for ensuring compliance to regulations
The market regulations require that all exporters from a given country must meet pre-determined market requirements. Failure to observe these requirements by any exporter can easily lead to a ban being imposed on the country in effect affecting even those exporters that have observed the requirements. FPEAK does not have the mechanism to ensure adherence to the requirements at all levels. There is need to have an internal system for self-compliance.

2.3.3 Opportunities
FPEAK needs to take advantage of opportunities and fully exploit them. Key opportunities have been identified as:

- Membership: There exist many exporters in Kenya who are not members of FPEAK. With the increasing role of FPEAK in support of continued and enhanced participation of Kenya in the export market, it became necessary for FPEAK to identify ways to enhance membership and innovate methods of working with and through non-members. Indeed, FPEAK continues to attract new members each year.
- Collaboration: FPEAK shall continue to take a collaborative approach with government and other private sector agencies that will lead increased benefits and essentially attract more members to join. Besides these efforts, FPEAK shall aim at providing demand driven courses that will be certified internally and be recognized by all its members and hopefully by the entire industry.
- Donor Support: Owing to the significance of the horticulture sub-sector because of its contribution to GDP, a number of donor agencies such as USAID, SIDA, DANIDA and DFID are now willing to contribute to its development. NUFFIC/NICCHE of the Dutch government FPEAK has now placed itself strategically and hopes to continue benefitting from this support. FPEAK is also receiving support from TradeMark East Africa, USAID through RTI-KCDMS among others.
- Partnerships: Competing organization such as Kenya Flower Council are visualized by FPEAK as industry partners for purposes of working to resolve common issues that are working against industry players.
- Information: There exists a potential for FPEAK to facilitate information flow to members given the fast pace at which the industry is developing. Exporters will require updates on industry developments and new market information e.g. PCPB efficacy trials. There are further opportunities to establish Information Nodes for sharing knowledge, market information, market access requirements (mandatory / voluntary standards and trade protocols), products, sourcing annual calendars, predictable size of markets, value, logistics and contracts
- Policy Dialogue: Structured mechanism, grounded through policy, for coordination between government policy makers and business facilitation institutions to ensure timely support for farmers to sustainably produce, access, sustain, deepen and expand market shares in the local, regional and international markets
- Business Development Services: Access quality, credible business development services for, timely market intelligence surveys and reports; sustainable market linkages; extension services for agronomy including good agricultural practices, traceability, assessment and certification to secure market access; post-harvest handling, value addition; de risk business in order to access affordable and flexible credit facilities; insurance;
- Technology & Innovation Systems: Build platforms for consistent predictable access to affordable high-quality, high yielding inputs in the form of seed / planting materials, chemicals and fertilizers, technology, equipment, suitable to meet, sustain and grow business investments
- Inclusion of smallholders into global value chains: Promote organisation of farmers into strong viable producer groups, associations, BMOs, cooperatives, endowed with adequate resources, technical, administrative, convening power and good governance structures to sustain valuable services by
members and their affiliates. It is possible to build strategies to transform small scale producers from subsistence farming to feasible commercial operations.

■ Consolidation of Produce: opportunities for aggregation, suitable storage facilities and proper transportation, to reduce post-harvest.

■ Gender mainstreaming: Address gender inequalities and marginalisation of vulnerable players, denying them access to information, water, energy and finance, deterring them from achieving their full potential.

2.3.4 Challenges
Kenya's horticultural industry faces diverse challenges which have persisted for long, but which must be avoided and/or overcome.

Low Productivity
There are nevertheless major challenges that limit optimization and productivity in the sector. Some of these are integrated water management, water for irrigation, access to quality and affordable seed/planting material, quality inputs in the form of fertilizers and pesticides, access to affordable, flexible fiscal and non-fiscal business development services and products.

Market access challenges
Other impediments include marketing and market access issues, including tariff and non-tariff trade barriers, over and above regulatory obstacles in production, post-harvest handling, value addition, logistics and costs thereof in exporting agricultural produce. When these challenges are addressed holistically, opportunities emerge to form a sound foundation for food security (adequate, quantities of quality, competitively priced safe food security) for the people of Kenya and the global markets.

Technical Regulations, Standards and Sanitary and Phytosanitary Measures
The horticultural industry continues to face exacting and dynamic market requirements for excellence, packaged as mandatory standards, for instance the EU Directives and the sanitary and phytosanitary (SPS) measures aimed to minimise food safety and plant health risks on imported horticultural produce. However, standards and technical regulations drawn up by individual countries to protect health and the environment, as well as to ensure quality and safety, can also act as technical barriers to trade.

Additional demands are often imposed on suppliers by the buyers, in the form of private voluntary standards such as GlobalGAP, British Retail Consortium (BRC), Fairtrade amongst others. These standards demand compliance to product quality specifications as well as conditions under which production takes place, in terms of workers’ welfare, environment stewardship and good governance. Paucity of the requisite knowledge, skills and finances, particularly among the small-scale farmers and other actors in the value chain remains a major challenge.
3 Strategic Orientations

3.1 Enhancing Policy and Regulatory Environment

The horticulture sub-sector has continued to retain its position as the fastest growing industry in the Agricultural sector in Kenya. It employs directly and indirectly about 4 million people and smallholder farmers contribute over 70% of the production. However, the general problem affecting Kenya’s horticultural exports is that there is neither the surplus of exportable products nor the production capacity to take immediate advantage of new trade opportunities.

The horticultural sub-sector faces several challenges, inter alia: Weak horticultural policy and inadequate legal and institutional framework to facilitate continued growth, development and sustainability of the horticultural industry; Inadequate extension services due to inappropriateness of the extension approaches, collapse of extension institutions and low budgetary allocations; Limited adoption of modern technologies; Inadequate quality control systems; Multiplicity of taxes; Low availability of capital and limited access to affordable credit; Inadequate market and marketing infrastructure; Low usage of farm inputs; Prevalence of crop pests and diseases; Poor produce handling facilities; and a Multiplicity of official and private market-driven standards.

3.2 Upgrading Supply Chains

Supplying global value chains can stimulate upgrading, technology transfer and public-private cooperation, especially when exacting import standards are required. Gains can also be made from higher value added or more advanced technology, while in other cases they emanate from increased economies of scale or improved managerial capacity and logistics. Poorly-designed participation, the absence of clear strategies and external shocks can result in negative outcomes. Supplying regional and local value chains may also foster upgrading, usually with less steep learning curves and more limited outcomes, but also with less exposure to risk and vulnerability. Upgrading must not be a precondition for participation in value chains. It can also occur through contact and information exchange with advanced companies enabling local small holder suppliers to upgrade their capacities.

In order to market their products internationally, FPEAK members need to link with the global supply chains overwhelmingly managed today by Transnational Corporations (TNCs). Entering into such partnerships requires supply capacity, quality, efficient servicing, competitive pricing and the ability to meet importer mandated product standards. Pre-requisites for this are increased investment at enterprise level and in national infrastructure. Poor port and transport infrastructure, bureaucracy and customs delays, etc., add to the final product cost. While there are significant opportunities for FPEAK members to develop their trade potential, this must go hand in hand with moves to boost productive capacity and to improve the conformity assessment infrastructure and services which are vital to achieve international recognition.

Successful upgrading in value chains depends not only on a business-friendly operating environment for private sector players but also on specific opportunities that may be linked to a particular product or product form, to the emergence of particular technologies, to changes in international trade rules, or to the emergence of niche markets. Such windows of opportunity are often time bound: first-mover advantage is important, and abrupt changes in price and/or quality demands mean that rewards may be limited in time. Restructuring within value chains will also quickly reverse any previous gains, while advantages secured by some stakeholders will entail losses for others. This calls for an upgrading strategy built upon
a flexible structure involving the private sector, industry associations, regulators and civil society actors.

3.3 Compliance with Trade Standards

FPEAK members also face significant problems relating to the quality of their products. Compliance with standards has become a requisite for the expansion of regional, inter-regional and international trade. However, these standards and technical regulations drawn up by individual countries to protect health and the environment, as well as to ensure quality and safety, have become significant barriers to trade. On the one hand this requires establishment of compliance infrastructure by Government. On the other hand, FPEAK members will have to work significantly hard to ensure quality and safety related concerns are addressed at every step of the supply chain in line with applicable standards as well as technical regulations and SPS measures required of their products.

Importing countries require that produce meets their requisite technical regulations and standards. Agricultural produce must also meet sanitary and phytosanitary (SPS) regulations imposed by importing countries to address food safety, animal health or plant health risks that may be carried by imported produce. Compliance with technical regulations, standards and SPS measures has become a requisite for the expansion of regional, inter-regional and international trade. Not only is there greater scrutiny of production and processing techniques but there are stricter traceability and labeling requisites across the food supply chain. For example, the new EU rules on food hygiene require all food businesses after primary production stage to put in place, implement and sustain a procedure based on Hazard Analysis and Critical Control Points (HACCP) principles. Countries that cannot meet standards and regulations in developed country markets are effectively barred from trading with those markets.
4 Strategic Analysis

4.1 Mission Statement
Develop, promote and coordinate the Kenyan horticultural industry in the global market through enhanced product/food safety, good agricultural practices, social, ethical and environmental responsibilities.

4.2 The Corporate Vision
Make Kenyan horticulture the Global membership choice.

4.3 Association’s Guiding Principles & Values

4.3.1 Guiding Principles
a) The Association will maintain strong working relations with institutions and persons doing similar work in the horticultural sub-sector both locally and internationally.
b) The Association will continue to be member driven, and will maintain close links with its members in order to better understand their needs and develop appropriate programmes to address those needs.
c) The Association will maintain good and cordial relations with its staff, Board and members, showing them respect and motivating them towards greater achievements and seek to get them more involved and committed to the Association’s work and ideals.

4.3.2 Core Values
- Industry driven
Whereas FPEAK must prioritize the needs of its members, it must be appreciated that FPEAK exists to develop, promote and unite the Kenyan horticultural industry in the global market. Consistent with this agenda therefore, FPEAK is driven by industry requirements.

- Integrity and honesty
FPEAK members shall remain transparent and accountable at all times. In this regard, members shall observe agreed upon code of practice at all times.

- Result Orientation
FPEAK believes that its workforce is the most important resource. FPEAK’s human Resource strategy will be designed to attract, develop and retain individuals with relevant competence and commitment to the horticulture industry. In so doing, FPEAK shall ensure delivery of desired results.
4.4 FPEAK Theory of Change

4.4.1 Vision of the Strategic Plan
The vision of this strategic plan is that larger shares of domestic and international markets are secured through supply of high quality and cost-effective products.

Enhanced Competitiveness of Kenya’s Horticultural Exports

**Improved Business Environment**
- 20% reduction in cost and time of compliance with regulatory requirements
- 50% reduction/revision of trade regulations prohibitive to doing business
- 2 new common-user facilities (pack-houses, trucks) to support SMEs
- 20% increase in public-private investments in Kenya’s horticulture
- 100% compliance to trade regulations and standards

**Upgrading value Chains**
- At 50% reduced losses in first and last mile operations
- 25% increase in volume and value of exports by FPEAK members
- 20% Increased sourcing from smallholder Producers
- 100% compliance with regulatory requirements and market standards
- 20% increased adoption/use of sustainable energy and water systems

**Improved Industry Service Delivery**
- 25% increase in FPEAK membership
- 50 new approved trainers & 20 auditors developed to support FPEAK members
- 5 New Market Destinations opened
- 50% Reduction in product interceptions/rejections
- 1 ICT-based Market Information System

100% observance of Governance policies & procedures, 5 strategic Partnerships and 20% improved efficiency in Service Delivery

22 Fresh Produce Exporters Association of Kenya (FPEAK) Strategic Plan 2021 - 2025
4.4.2 Purpose/Goal

The purpose of this strategic plan is to transform Kenya’s horticulture into be a globally competitive industry.

4.4.3 Objectives

The overall objective of this Strategic Plan is to address supply side and market access constraints faced by FPEAK members. More specifically:

1) To influence business environment related to horticultural policies, regulations and innovations
2) To boost productivity, quality and safety of Kenya’s fresh produce supplies
3) To increase FPEK capacity to deliver efficient services to members

4.4.4 Anticipated Impacts

In the long-term, the strategic plan is expected to produce the following impacts: Reduced Climate Variability; Increased Incomes and Jobs; and Social inclusion and shared prosperity.

4.5 Result Areas & Strategic Interventions

The strategic initiatives needed to bring about the desired change are outlined under each result area described below.

Strategic objective 1: Influencing Business Environment

Introduction

Kenya’s horticulture sub-sector has continued to retain its position as the fastest growing industry in the Agricultural sector. It employs directly and indirectly about 4 million people and smallholder farmers contribute over 60% of the production. In the year 2018, the subsector generated over Kshs 150 billion in foreign exchange from exported commodities and over Kshs 100 billion domestically.

Issues/Challenges

The horticultural sub-sector faces several challenges, inter alia: an incoherent horticultural policy and inadequate legal and institutional framework to facilitate continued growth, development and sustainability of the horticultural industry; inadequate extension services due to inappropriateness of the extension approaches, collapse of extension institutions and low budgetary allocations; limited adoption of modern technologies; inadequate quality control systems; multiplicity of taxes; low availability of capital and limited access to affordable credit; inadequate market and marketing infrastructure; low usage of farm inputs; prevalence of crop pests and diseases; poor produce handling facilities; and a multiplicity of official and private market-driven standards.

Interventions

Without addressing the issues related to the overall business environment, interventions at the enterprise level alone do not produce optimal results to increase industrial competitiveness. Fostering competitive horticultural industry requires that an “enabling environment” is in place. FPEAK will support the creation of more favourable economic, financial, and regulatory frameworks for SMEs to upgrade, grow and compete on local and foreign markets.

FPEAK will carry out targeted trade promotion services such as branding, trade fairs, advertisements, and establishment of trade information centres. Such information centres will be value chain/sector specific, allowing flexibility to carry out promotion in diverse markets abroad. FPEAK will focus on market diversification through trade fairs activities in target markets. FPEAK will also facilitate forward and backward linkages for SMEs for effective integration into global value chains.
## Strategies

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Activities</th>
</tr>
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</table>
| **1.1 Positively Influence Government** | 1.1.1 Document respective roles of government and industry  
1.1.2 Promote priority whole-of-horticulture policy positions through appropriate channels  
1.1.3 Hold regular scheduled meetings with Government  
1.1.4 Establish positive relations with other industry policy platforms/networks  
1.1.5 Participate in Government technical committees and policy dialogue platforms |
| **1.2 Positively Influence Horticulture Innovations** | 1.2.1 Develop Memorandum of Understanding with Horticulture Research and Learning Institutions  
1.2.2 Develop Memorandum of Understanding with Horticulture Technology and Innovation Centres  
1.2.3 Lobby Government on Research and Development Levy  
1.2.4 Disseminate Research and Innovations in horticulture  
1.2.5 Establish Demonstration Centres and Trade Fairs on Technologies & Innovations |
| **1.3 Position and Promote Horticulture Industry an exciting, innovative, and attractive to work and invest in** | 1.3.1 Actively Participate in Horticulture Working Group on Policies  
1.3.2 Develop and regularly update Industry Newsletter (‘State of the Industry’)  
1.3.3 Develop and regularly update industry prospectus to position the horticulture industry as an exciting, innovative and attractive industry  
1.3.4 Develop and regularly update business cases in horticulture industry as an attractive industry to invest in  
1.3.5 Communicate high-level horticulture achievements and issues |
Strategic Objective 2: Upgrading Horticultural Supply Chains

Introduction
FPEAK will establish programmes to support its members increase agricultural productivity to supply quantities and quality of produce as demanded by their markets. FPEAK will support its membership in their efforts to produce cost-effective, safe and reliable products in domestic and global markets through development of a competitive business model. The supply chain will be central to FPEAK activities and will aim at creating strong supply chains which link producers to the market. Individual FPEAK members will continue having maximum ownership of the chain by running their own agribusinesses.

Issue/ Challenge
The premise must be accepted that pesticide consumption will continue and even increase and that the first task will be to find ways of regulating their use, with the primary aim of reducing risks to humans (operators and consumers alike) and the environment and producing good quality, i.e., produce complying with Quality and SPS Standards. Today’s consumer expects a year-round supply of healthy and, above all, safe food. We must bear in mind that the ultimate judge is always the consumer, who wants to buy healthy, good quality, reasonably priced produce.

Interventions
FPEAK will support Integrated agricultural production systems that combine the concept of pest and diseases control with a system of rational fertilizing and variety selection suited to the technical itineraries proposed.

FPEAK will promote upgrading of supply chains that support inclusive participation of the smallholders and poor. The idea here is to integrate smallholders into global supply chains. FPEAK will develop programmes that aim to increase efficiency and improve product and service quality at every level, to grow the market for smallholders and return more value to them. In this regard, the FPEAK will conduct detailed value chain studies that will analyse and assess trends in fresh produce production and marketing performance at national, regional and global level, and formulating strategies and policies designed to improve competitiveness at each stage of the value chain.

FPEAK will support social inclusion and environmental protection. These are important elements of FPEAK interventions for selected fresh produce supply chains since the initial stages of such chains take place in rural areas and women are often involved in post-harvest operations. FPEAK will also promote the initiatives of young entrepreneurs, and to enhance the human and institutional capacities required to foster entrepreneurial dynamism and increase productivity.

FPEAK will work with Competent Authorities and counties through training on specific standards on Good Agricultural Practices, Good Manufacturing Practices and Good Trading Practices. FPEAK will develop training curriculum and train trainers in each value chain on standards and implementation of relevant standards. FPEAK will also work with enterprises on the supply-side, enabling the enterprises to supply products with high-market potential in the quantities and at the level of quality required by the markets. FPEAK will also work with enterprises on the supply-side, enabling the enterprises to supply products with high-market potential in the quantities and at the level of quality required by the markets.
## Fresh Produce Exporters Association of Kenya (FPEAK) Strategic Plan 2021 - 2025

### Strategies

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<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Activities</th>
</tr>
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</table>
| 2.1 Sustainable Sourcing of Inputs and Supplies | 2.1.1 Characterize the main primary producers and input providers in the value chain.  
2.1.2 Assess the contractual relationships between buyers and suppliers  
2.1.3 Assess the organization and physical transactions for logistics of sourcing inputs and supplies  
2.1.4 Conduct communication forums between buyers and suppliers to build trust and business relationships  
2.1.5 Establish logistics channels of getting inputs and supplies to the point of use |
| 2.2 Boosting Productivity | 2.2.1 Develop programme for training/skills development for members on technical and business processes  
2.2.2 Support adoption of appropriate production technologies and innovations for production and for developing new products  
2.2.3 Facilitate efficient use of inputs in production (labour, water and energy) on farm and post-farm  
2.2.4 Support implementation of quality and productivity standards for improved output  
2.2.5 Provide common user postharvest management facilities in various production hubs in counties (for aggregation, cold storage, and packing) to reduce post-harvest losses |
| 2.3 Expanding Markets | 2.3.1 Conduct market analysis/studies on consumer demands, end-buyer perceptions, competition, for existing and potential/future markets  
2.3.2 Develop comprehensive market penetration and retention strategy targeting different export market destinations  
2.3.3 Implement Traceability system for all FPEAK members and their suppliers  
2.3.5 Implement inspection and certification programmes for SPS/technical regulations and voluntary market standards  
2.3.6 Participate in regional and international demand through targeted trade fairs and other market promotion activities |
| 2.4 Fostering Inclusion of women and smallholders | 2.4.1 Facilitate participation of smallholders in horticultural value chains  
2.4.2 Implement programmes on food safety & quality and nutritional value of food  
2.4.3 Develop measures and practices that mitigate discrimination and violation of rights based on gender  
2.4.4 Facilitate women’s meaningful participation in partnerships, decision-making, leadership roles, and the equitable sharing of benefits  
2.4.5 Support appropriate training, education, and mentorship programs for youth to increase their capacity and/or access to decent work and entrepreneurship opportunities |
| 2.5 Conserving and sustainably managing natural resources | 2.5.1 Implement actions to reduce waste and losses in production and post harvest operations  
2.5.2 Facilitate the efficiency of production, the sustainability of consumption, and the  
2.5.3 Establish mechanisms for clean and energy saving production technologies production.  
2.5.3 Implement standards of environmentally sustainable production  
2.5.4 Establish avenues for productive use of waste and/or by-products |
Strategic Objective 3: Partnerships for Demand-Driven Industry Support Services

Introduction
In Kenya, the horticultural industry mainly consists of micro, small and medium enterprises that generate a large share of employment and income opportunities. However, their development potential remains untapped, as firms operate in isolation, are locked into uncompetitive production patterns and unable to approach dynamic business partners that could bring in new expertise and know how.

Challenges
Small and medium enterprises (SMEs) often lack managerial capacities and have insufficient knowledge of business processes as well as of operational and production cycles. Furthermore, their performance is often hindered by poor technologies utilized and limited access to finance needed to expand production capacities. Individual SMEs also find it very difficult to deal with policy and regulatory challenges that impact on their sector or on the business sector in general. This results in creating obstacles and barriers to SMEs to compete on domestic and international markets.

Interventions
Tackling these challenges in a holistic way will allow SMEs to produce innovative, cost-effective, safe, reliable, and quality products in sufficient volumes. It is necessary to build capacities of business support institutions and the consultancy sector; enhancing existing tools and providing additional ones to detect and respond to the development needs of FPEAK members.

Strategies

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1 Develop a capacity for Trainers</strong></td>
<td>3.1.1 Develop Training curriculum in various standards demanded by industry</td>
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<tr>
<td></td>
<td>3.1.2 Conduct training of trainers for KS1758 roll-out</td>
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<td></td>
<td>3.1.3 Conduct Training of Trainers in Food Safety and Quality Standards</td>
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<td>3.1.4 Conduct Training of Trainers in Social Standards</td>
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<td></td>
<td>3.1.5 Conduct Training of Trainers in Environmental Standards</td>
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<tr>
<td><strong>3.2 Develop Capacities for Auditors</strong></td>
<td>3.2.1 Develop auditing scheme for industry quality management systems</td>
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<td>3.2.2 Facilitate training of auditors in KS1758 Quality Management Systems</td>
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<tr>
<td></td>
<td>3.2.3 Training of auditors in Food Safety Management Systems</td>
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<td></td>
<td>3.2.4 Facilitate training of auditors in Social Auditing</td>
</tr>
<tr>
<td></td>
<td>3.2.5 Facilitate training of auditors in Environmental Management Audits</td>
</tr>
<tr>
<td><strong>3.3 Develop Industry Self-Assessment Schemes</strong></td>
<td>3.2.6 Establishment of partnership agreements or contracts on conformity assessment against KS1758 and other industry standards</td>
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<td></td>
<td>3.2.7 Develop action plan to address persistent non-conformities or failures in implementation of food standards</td>
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<td>3.2.8 Support collaboration with the Horticulture National Technical Working Group (NTWC) to provide guidelines for conformity assessment in various private voluntary standards</td>
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<td>3.2.9 Facilitate implementation of product inspection and certification schemes in liaison with various system certifiers and inspection bodies.</td>
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<tr>
<td></td>
<td>Implement traceability and labelling requirements for selected markets and eateries</td>
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</tbody>
</table>
Implementation Plan

Strategic objective 1: Influencing Business Environment

<table>
<thead>
<tr>
<th>STRATEGIC INITIATIVES</th>
<th>ACTIVITIES</th>
<th>STAKEHOLDER</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positively Influence Government</td>
<td>Document respective roles of government and industry</td>
<td>Min of Agriculture, HCD, KEPHIS, PCPB</td>
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<tr>
<td></td>
<td>Promote priority whole-of-horticulture policy positions through appropriate channels</td>
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<td></td>
<td>Hold regular scheduled meetings with Government</td>
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<td></td>
<td>Build positive relations with other industry policy platforms/ networks</td>
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<td></td>
<td>Participate in Government technical committees and policy dialogue platforms</td>
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<tr>
<td>Positively Influence Horticulture Innovations</td>
<td>Develop Memorandum of Understanding with Horticulture Research and Learning Institutions</td>
<td>KALRO, Agriculture Universities/ Colleges</td>
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<tr>
<td></td>
<td>Develop Memorandum of Understanding with Horticulture Technology and Innovation Centres</td>
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<tr>
<td></td>
<td>Lobby Government on Research and Development Levy</td>
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<tr>
<td></td>
<td>Disseminate Research and Innovations in horticulture</td>
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<td></td>
<td>Establish Demonstration Centres and Fairs on Technologies &amp; Innovations</td>
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<tr>
<td>Position and Promote Horticulture Industry an exciting, innovative, and attractive to work and invest in</td>
<td>Actively Participate in Horticulture Working Group on Policies</td>
<td>Min of Trade, Trade Promotion Agencies</td>
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<td></td>
<td>Develop and regularly update Industry Newsletter (‘State of the Industry’)</td>
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<td></td>
<td>Develop and regularly update industry prospectus to position the horticulture industry as an exciting, innovative and attractive industry</td>
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<tr>
<td></td>
<td>Develop and regularly update business cases in horticulture industry as an attractive industry to invest in</td>
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<td></td>
<td>Communicate high-level horticulture achievements and issues</td>
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</tbody>
</table>
### Strategic Objective 2: Upgrading Horticultural Supply Chains

<table>
<thead>
<tr>
<th>STRATEGIC INITIATIVES</th>
<th>ACTIVITIES</th>
<th>STAKEHOLDER</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing of Inputs and Supplies sustainably</td>
<td>Characterize the main primary producers and input providers in the value chain.</td>
<td>FPEAK Members, AAK, PCPB</td>
<td></td>
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<tr>
<td></td>
<td>Assess the contractual relationships between buyers and suppliers</td>
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<tr>
<td></td>
<td>Assess the organization and physical transactions for logistics of sourcing inputs and supplies</td>
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<td></td>
<td>Streamline communication between buyers and suppliers to build trust and business relationships</td>
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<td></td>
<td>Address logistics of getting inputs and supplies to the point of use</td>
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<tr>
<td>Boosting Productivity</td>
<td>Ensure timely access and use of quality farm inputs</td>
<td>FPEAK Members, HCD, KEPHIS</td>
<td></td>
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<td></td>
<td>Adopt appropriate technologies and innovations for production and for developing new products</td>
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<td></td>
<td>Foster entrepreneurship and equal access to market opportunities both on-farm and for upstream and downstream stakeholders</td>
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<tr>
<td>Expanding Markets</td>
<td>Assess consumer demands and if existing products correspond to existing and future demands</td>
<td>FPEAK Members, HCD, KEPHIS, Min of Trade</td>
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<td></td>
<td>Assess important end-buyers in the chain and their perception on consumer demands and on the chain’s capacity to respond</td>
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<td></td>
<td>Conduct a study on strengths and weakness of the value chain products in comparison with other countries and value chains</td>
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<td></td>
<td>Develop strong relationships with end markets and invest in implementing requirements</td>
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<td></td>
<td>Organize/ participate in trade fairs to facilitate contractual arrangements between buyers and suppliers</td>
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<tr>
<td>Fostering Social Inclusion and sharing value</td>
<td>Ensure participation of smallholders in horticultural value chains</td>
<td>FPEAK Members, HCD, Min of Public Service, Youth and Gender</td>
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<td></td>
<td>Implement programmes on food safety &amp; quality and nutritional value of food</td>
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<td></td>
<td>Eliminating all measures and practices that discriminate or violate rights based on gender</td>
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<td></td>
<td>Ensure women’s meaningful participation in partnerships, decision-making, leadership roles, and the equitable sharing of benefits</td>
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<td></td>
<td>Provide appropriate training, education, and mentorship programs for youth to increase their capacity and/or access to decent work and entrepreneurship opportunities</td>
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<tr>
<td>Conserving and sustainably managing natural resources</td>
<td>Implement actions to reduce waste and losses in production and post-harvest operations</td>
<td>FPEAK Members, HCD, Min of Environment</td>
<td></td>
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<td></td>
<td>Facilitate the efficiency of production, the sustainability of consumption, and the</td>
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<td></td>
<td>Adopt cleaner and energy saving production technologies production</td>
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<td></td>
<td>Implement standards of environmentally sustainable production</td>
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<td></td>
<td>Establish mechanisms for productive use of waste and/or by-products</td>
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</tbody>
</table>
# Strategic Objective 3: Partnerships for Demand-Driven Industry Support Services

<table>
<thead>
<tr>
<th>STRATEGIC INITIATIVES</th>
<th>ACTIVITIES</th>
<th>STAKEHOLDER</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a capacity for Trainers</td>
<td>Development of Training curriculum in various standards demanded by industry</td>
<td>KEBS, AFA-HCD</td>
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<tr>
<td></td>
<td>Training of trainers in KS1758</td>
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<tr>
<td></td>
<td>Training of Trainers in Food Safety and Quality Standards</td>
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<td>Training of Trainers in Social Standards</td>
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<td></td>
<td>Training of Trainers in Environmental Standards</td>
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<tr>
<td>Develop Capacities for Auditors</td>
<td>Development of auditing scheme for industry quality management systems</td>
<td>FPEAK, Other Industry Associations, Enterprises/ producers</td>
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<td></td>
<td>Training of auditors in KS1758 Quality Management Systems</td>
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<td></td>
<td>Training of auditors in Food Safety Management Systems</td>
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<td>Training of auditors in Social Auditing</td>
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<td></td>
<td>Training of auditors in Environmental Management Audits</td>
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<tr>
<td>Develop Industry Self-Assessment Schemes</td>
<td>Establishment of partnership agreements or contracts on conformity assessment against KS 1758 and other industry standards</td>
<td>FPEAK, KEPHIS, HCD, PCPB, Conformity Assessment Bodies</td>
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<td>Develop mechanisms to address persistent non-conformities or failures in implementation of food standards</td>
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<td>Strengthen collaboration with the Horticulture National Technical Working Group (NTWG) to provide guidelines for conformity assessment in various private voluntary standards</td>
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<td></td>
<td>Implement product inspection and certification schemes in liaison with various system certifiers and inspection bodies</td>
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<td>Implement traceability and labelling requirements for selected markets and eateries</td>
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Fresh Produce Exporters Association of Kenya (FPEAK) Strategic Plan 2021 - 2025
5 Monitoring and Evaluation

FPEAK will develop a methodology and tools for assessment of members. The methodology will be developed in line with results-based management (RBM) principles.

**Phased Planning and Implementation**

It is intended that this strategy will be operationalised in five one-year cycles allowing for progressivity based on experiences gained during the implementation of the one-year period into the next. The implementation of identified interventions will be prioritised in such a manner that allows for quick impact and results in the short and medium term. This however does not imply that those actions that need to commence now but for longer term impact will be ignored, these will also be programmed to start at appropriate times.

**FPEAK Results Framework**

A Results Framework (RF) is a key planning, monitoring and evaluation tool. It reflects the “results chain” of the Strategy and provides the criteria (indicators and targets) to monitor and assess progress being made towards the expected outputs, outcomes and impacts. The Results Framework is a key tool for the alignment and coordination of investments in the implementation of the Strategy. Deriving from the overall strategic framework and proposed intervention areas identified in this document, a Results Framework will be developed towards the implementation of this strategy. FPEAK will develop a results framework that will be used for assessment of members’ performance. A results chain (assessment framework) will reflect the overall situation, needs, issues, priorities and aspirations of members.

**FPEAK Members Tracking Tools**

FPEAK will also develop members’ self-assessment guide and checklist that includes legal requirements, productivity and market performance, and compliance with quality standards and SPS regulations. This self-assessment guide and checklist will be augmented by FPEAK membership codes and commitments. FPEAK will develop a tool to summarize and track results of engagement with members during annual reviews. This tool can help FPEAK members when presenting the annual progress reports to FPEAK governing body. The matrix helps keep the reporting focused on results at the outcome level. Each FPEAK member will, therefore, adopt this results reporting matrix.

**FPEAK Results-Based Reporting**

FPEAK will develop a results-based reporting tool (both electronic/online and paper-based). The tool will seek to shift attention away from activities of members to communicating important results that members have achieved at the level of international norms and standards in relation to member commitments.
### ANNEX 1: FPEAK RESULTS FRAMEWORK & IMPLEMENTATION PLAN

#### Outcome 1: Improved Business Environment

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Improved Business Environment</th>
<th>Means of Verification</th>
<th>Target Responsibility</th>
<th>Implementation Period (Quarterly)</th>
<th>Budget (KES)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2021 2022 2023 2024 2025</td>
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<td>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20</td>
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</tbody>
</table>

#### Activities

1. **Output 1.1 Advocacy on Horticultural Policies to Incorporate pro-poor and market driven strategies**

   - **Number of Policies/strategies improved**: Assessment
   - **Assessment**: 2 (Flowers; fruits & vegetables)
   - **FPEAK Board**

   - **Target**
   - **FPEAK Board**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 250,000

2. **Activities**

   - **1.1.1 Document respective roles of government and industry**
     - **1.1.1.1 # of consultative meetings**: Reports
     - **Assessment**: 18
     - **FPEAK staff**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 250,000

   - **1.1.2 Promote priority whole-of-horticulture policy positions through appropriate channels**
     - **1.1.2.1 # of promotions conducted**: Reports
     - **Assessment**: 14
     - **FPEAK staff**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 250,000

   - **1.1.3 Hold regular scheduled meetings with Government**
     - **1.1.3.1 # of meetings held**: Meeting minutes
     - **Assessment**: 14
     - **FPEAK staff**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 300,000

   - **1.1.4 Establish positive relations with other industry policy platforms/ networks**
     - **1.1.4.1 # of platforms and networks established**: Reports
     - **Assessment**: 9
     - **FPEAK staff**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 300,000

   - **1.1.5 Participate in Government technical committees and policy dialogue platforms**
     - **1.1.5.1 # of consultative meetings and platforms held**: Meeting minutes
     - **Assessment**: 3
     - **FPEAK staff**

   - **Implementation**: 2021 - 2025

   - **Budget**: KES

   - **Sub Total**: 500,000

**SUB TOTAL**

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Fresh Produce Exporters Association of Kenya (FPEAK) Strategic Plan 2021 - 2025
## Outcome 1: Improved Business Environment

<table>
<thead>
<tr>
<th>Activity</th>
<th>Objectively Verifiable Indicator</th>
<th>Means of Verification</th>
<th>Target</th>
<th>Responsibility</th>
<th>Implementation Period (Quarterly)</th>
<th>Budget (KES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1.2 Appropriate technologies and superior innovations transferred/adopted</td>
<td>Number of partnerships with STI institutions</td>
<td>Signed MoUs and joint programmes</td>
<td>3 new</td>
<td>FPEAK Secretariat</td>
<td>2021 2022 2023 2024 2025</td>
<td>500,000</td>
</tr>
<tr>
<td>1.2.1 Develop Memorandum of Understanding with Horticulture Research and Learning Institutions</td>
<td>MoU document</td>
<td>1</td>
<td>FPEAK staff</td>
<td></td>
<td></td>
<td>400,000</td>
</tr>
<tr>
<td>1.2.2 Develop Memorandum of Understanding with Horticulture Technology and Innovation Centres</td>
<td>MoU document</td>
<td>1</td>
<td>FPEAK staff</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.2.3 Lobby Government on Research and Development Levy</td>
<td>Reports</td>
<td>2</td>
<td>FPEAK staff</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.2.4 Disseminate Research and Innovations in horticulture</td>
<td>Reports</td>
<td>2</td>
<td>FPEAK staff</td>
<td></td>
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</tr>
<tr>
<td>1.2.5 Establish Demonstration Centres and Trade Fairs on Technologies &amp; Innovations</td>
<td>Reports</td>
<td>2</td>
<td>FPEAK staff</td>
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</table>

**SUB TOTAL**
<table>
<thead>
<tr>
<th>Outcome 1</th>
<th>Improved Business Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outputs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Objectively Verifiable Indicator</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1.3: Increased investments in Kenya’s Horticulture</td>
<td>Number of new horticulture businesses/ and FDI</td>
</tr>
</tbody>
</table>

### Activities

| 1.3.1 Actively Participate in Horticulture Working Group on Policies | 1.3.1 # of meetings held | Meeting minutes | 18 | FPEAK staff |               | 100,000 |
| 1.3.2 Develop and regularly update Industry Newsletter (‘State of the Industry’) | 1.3.2.1 # of industry newsletters developed | Newsletter | 13 | FPEAK staff |               | 800,000 |
| 1.3.3 Develop and regularly update industry prospectus to position the horticulture industry as an exciting, innovative and attractive industry | 1.3.3.1 # of prospectus developed | Prospectus | 13 | FPEAK staff |               | 1,000,000 |
| 1.3.4 Develop and regularly update business cases in horticulture industry as an attractive industry to invest in | 1.3.4.1 # of business cases developed and updated | Reports | 11 | FPEAK staff |               | 1,500,000 |
| 1.3.5 Communicate high-level horticulture achievements and issues | 1.3.5.1 # of promotion articles circulated | Reports | 11 | FPEAK staff |               | 800,000 |

**SUB TOTAL**
<table>
<thead>
<tr>
<th>Activity</th>
<th>Objectively Verifiable Indicator</th>
<th>Means of Verification</th>
<th>Target Responsibility</th>
<th>Implementation Period (Quarterly)</th>
<th>Budget (KES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 2.1 Reduced post-harvest losses</td>
<td>% Reduction in first and last mile postharvest losses</td>
<td>Records of losses/rejections</td>
<td>50%</td>
<td>FPEAK Secretariat</td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1.1 Characterize the main primary producers and input providers in the value chain</td>
<td>2.1.1.1 # of producers and input providers profiled</td>
<td>Reports</td>
<td>18</td>
<td>FPEAK staff</td>
<td>500,000</td>
</tr>
<tr>
<td>2.1.2 Assess the contractual relationships between buyers and suppliers</td>
<td>2.1.2.1 # of contracts reviewed</td>
<td>Assessment reports</td>
<td>13</td>
<td>FPEAK staff</td>
<td>400,000</td>
</tr>
<tr>
<td>2.1.3 Assess the organization and physical transactions for logistics of sourcing inputs and supplies</td>
<td>2.1.3.1 # of assessments conducted</td>
<td>Assessment reports</td>
<td>13</td>
<td>FPEAK staff</td>
<td>800,000</td>
</tr>
<tr>
<td>2.1.4 Streamline communication between buyers and suppliers to build trust and business relationships.</td>
<td>2.1.4.1 # of communication channels developed</td>
<td>Reports</td>
<td>11</td>
<td>FPEAK staff</td>
<td>500,000</td>
</tr>
<tr>
<td>2.1.5 Establish logistics channels of getting inputs and supplies to the point of use</td>
<td>2.1.5.1 # of logistical channels for input supply developed</td>
<td>Reports</td>
<td>11</td>
<td>FPEAK staff</td>
<td>400,000</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Outcome 2: Improved Productivity and Quality of Supplies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Improved of Productivity and Quality of Supplies</th>
<th>Implementation Period (Quarterly)</th>
<th>Budget (KES)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Objective Verifyable Indicator</td>
<td>Means of Verification</td>
<td>Target Responsibility</td>
</tr>
<tr>
<td>Output 2.2 Increase in volume and value of exports</td>
<td>% Increase in volume or value</td>
<td>Trade Statistics</td>
<td>20%</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.1 Facilitate timely access and use of quality farm inputs</td>
<td>2.2.1.1 # of facilitation activities conducted</td>
<td>Reports 2</td>
<td>FPEAK staff</td>
</tr>
<tr>
<td>2.2.2 Support adoption of appropriate technologies and innovations for production and for developing new products.</td>
<td>2.1.2.1 # of contracts reviewed</td>
<td>Reports 10</td>
<td>FPEAK staff</td>
</tr>
<tr>
<td>2.2.3 Support entrepreneurship and equal access to market opportunities both on-farm and for upstream and downstream stakeholders</td>
<td>2.1.3.1 # of assessments conducted</td>
<td>Reports 9</td>
<td>FPEAK staff</td>
</tr>
<tr>
<td>2.2.4 Support implementation of standards for good production Practices, social inclusion, and environmental sustainability</td>
<td>2.1.4.1 # of communication channels developed</td>
<td>Reports 8</td>
<td>FPEAK staff</td>
</tr>
<tr>
<td>2.2.5 Provide common-user postharvest management facilities (for aggregation, cold storage and packing) to reduce post-harvest losses</td>
<td>2.1.5.1 # of logistical channels for input supply developed</td>
<td>Reports 8</td>
<td>FPEAK staff</td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome 2</td>
<td>Improved of Productivity and Quality of Supplies</td>
<td>Implementation Period (Quarterly)</td>
<td>Budget (KES)</td>
</tr>
<tr>
<td>----------</td>
<td>-------------------------------------------------</td>
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<td>-------------</td>
</tr>
<tr>
<td>Activity</td>
<td>Means of Verification</td>
<td>Target Responsibility</td>
<td>2021</td>
</tr>
<tr>
<td>Output 2.3</td>
<td>1% Increase in volume of complying products</td>
<td>Certifications and Reports</td>
<td>100%</td>
</tr>
</tbody>
</table>

| Activities | |
| 2.3.1 | Conduct Assessments of food safety situation in Kenya’s domestic markets | 2.3.1.1 # of assessments conducted | Assessment reports | FPEAK staff | 8 | 7 | 6 | 5 | 4 | 3 | 2 | |
| 2.3.2 | Developing strategy for information exchange and education of market actors for fresh produce | 2.3.2.1 # strategies developed | Strategy documents | FPEAK staff | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| 2.3.3 | Carry out joint food safety and quality campaigns with National Competent Authorities and County Governments | 2.3.3.1 # of food safety campaigns held | Reports | FPEAK staff | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |
| 2.3.4 | Develop simple guidelines on safe food and postharvest loss reduction for different actors in the fresh produce supply chain | 2.3.4.1 # of guidelines on food safety and postharvest loss reduction developed | Guidelines documents | FPEAK staff | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |
| 2.3.5 | Establish a certification scheme for fresh produce presented in domestic markets | 2.3.5.1 # of certification schemes established | Certification Scheme document | FPEAK staff | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |

**SUB TOTAL**
<table>
<thead>
<tr>
<th>Outcome 3</th>
<th>Improved Delivery of Industry Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Objective Verifiable Indicator</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3.1: Increased availability of training services</td>
<td>Number of Trainers</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td></td>
</tr>
<tr>
<td>3.1.1 Development of Training curriculum in various standards demanded by industry</td>
<td>3.1.1.1 # of curricula developed</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.2 Training of trainers in KS 1758</td>
<td>3.1.2.1 # of Trainers of Trainers in KS 1758</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.3 Training of Trainers in Food Safety and Quality Standards</td>
<td>3.1.3.1 # of ToTs in Food Safety and Quality Standards</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.4 Training of Trainers in Social Standards</td>
<td>3.1.4.1 # of ToTs in Social Standards</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1.5 Training of Trainers in Environmental Standards</td>
<td>3.1.5.1 # of ToTs in Environmental Standards</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>SUB TOTAL</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Implementation Period (Quarterly)</th>
<th>Budget (KES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 2022 2023 2024 2025</td>
<td></td>
</tr>
<tr>
<td>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20</td>
<td></td>
</tr>
<tr>
<td>500,000</td>
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<td>800,000</td>
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<tr>
<td>600,000</td>
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<td>400,000</td>
<td></td>
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<tr>
<td>400,000</td>
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</tr>
</tbody>
</table>
### Outcome 3: Improved Delivery of Industry Support Services

<table>
<thead>
<tr>
<th>Output</th>
<th>Improved Delivery of Industry Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Objectively Verifiable Indicator</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of Auditors</td>
</tr>
</tbody>
</table>

#### Activities

**3.2.1 Development of auditing scheme for industry quality management systems**

- 3.2.1.1 # of audit schemes developed
- Auditing Scheme document
- FPEAK Secretariat

**3.2.2 Training of auditors in KS 1758 Quality Management Systems**

- 3.2.2.1 # of auditors trained on KS 1758
- List of participants
- FPEAK Secretariat

**3.2.3 Training of auditors in Food Safety Management Systems**

- 3.2.3.1 # of auditors trained in Food Safety Management systems
- List of participants
- FPEAK Secretariat

**3.2.4 Training of auditors in Social Auditing**

- 3.2.4.1 # of auditors trained in social auditing
- List of participants
- FPEAK Secretariat

**3.2.5 Training of auditors in Environmental Management Audits**

- 3.2.5.1 # of auditors trained in environmental audit
- List of participants
- FPEAK Secretariat

**SUB TOTAL**

- FPEAK Staff

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**SUB TOTAL**
<table>
<thead>
<tr>
<th>Output 3</th>
<th>Improved Delivery of Industry Support Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Objectively Verifiable Indicator</td>
</tr>
<tr>
<td>3.3.1.1 Establishment of partnership agreements or contracts on conformity assessment industry standards</td>
<td>Number of inspection/certification schemes</td>
</tr>
<tr>
<td>3.3.2 Develop mechanisms to address persistent non-conformities or failures in implementation of food standards</td>
<td>3.3.2.1 # of mechanisms developed</td>
</tr>
<tr>
<td>3.3.3 Support collaboration on providing guidelines for conformity assessment</td>
<td>3.3.3.1 # of collaborations developed</td>
</tr>
<tr>
<td>3.3.4 Implement product inspection and certification schemes in liaison with various system certifiers and inspection bodies.</td>
<td>3.3.4.1 # of product inspection and certification schemes implemented</td>
</tr>
<tr>
<td>3.3.5 Implement traceability and labelling requirements for selected markets and eateries</td>
<td>3.3.5.1 # of traceability and labelling requirements implemented</td>
</tr>
</tbody>
</table>

SUB TOTAL

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Fresh Produce Exporters Association of Kenya (FPEAK) Strategic Plan 2021 - 2025