



# KENYA SUGAR BOARD

More sugar for prosperity

## REVISED SECOND DRAFT

### STRATEGIC PLAN

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2025-2027



January 2026



## Vision

An inclusive facilitator of a globally competitive sugar industry for improved livelihoods.

## Mission

To sustainably regulate, develop and promote the sugar industry for economic growth and transformation.

## Core Values

Teamwork  
Integrity  
Professionalism  
Innovativeness  
Customer Focus

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## Foreword



The Kenya Sugar Board is committed to re-positioning the sugar industry on a path of steady, inclusive and sustainable growth. This Strategic Plan articulates outcomes that are aligned to broader regional and global aspirations including the East African Community Vision 2050, the African Union Agenda 2063 and the United Nations 2030 Agenda for Sustainable Development.

We recognize that the Plan has been developed against a backdrop of persistent industry challenges: occasional uncontrolled imports, price distortions, high costs of production, low farm and factory productivity, structural inefficiencies and the adverse effects of climate change. These issues have for long constrained the sector's competitiveness and sustainability.

In response, the Government has introduced far-reaching legal, policy and institutional reforms to secure the long-term viability of the industry. This Strategic Plan provides the framework to consolidate these reforms, with emphasis on production efficiency, value addition, market stabilisation and stronger governance. It also seeks to create an enabling environment where every stakeholder can thrive.

The Board of Directors stands fully committed to stewarding this transformation. We believe that efficient and accountable implementation of this Plan will restore credibility, strengthen institutional relevance and deliver meaningful benefits to farmers, millers, investors and consumers alike.

On behalf of the Board, I call upon all stakeholders to embrace this Plan and to walk with us in shaping a vibrant and globally competitive sugar industry for Kenya.

**Hon. Eng. Nicolas Gumbo WAJONYA, C.E.**  
**CHAIRMAN**

## Preface and Acknowledgement



This Strategic Plan represents a bold and practical framework for transforming Kenya's sugar industry into a resilient, competitive and sustainable sector that directly supports the livelihoods of millions of Kenyans. Guided by the Board's mandate to regulate, develop and promote the sugar industry, and its mission, strategic goals and values, the Plan sets out actionable priorities that will move the industry from aspiration to tangible results.

To achieve this, the Board will pursue strategic objectives that address the root challenges facing the sector. In particular, we will:

- Facilitate an increase in average national sugarcane yield to at least 85 tonnes of cane per hectare (TCH) by 2027/28;
- Promote a diversified and innovation-driven industry, anchored on research, technology adoption, and strategic partnerships; and
- Enhance the sugar industry's governance, resilience and performance, and especially that of sugarcane farmers' organisations which form the backbone of sustainable industry growth.

The Strategic Plan further provides clear frameworks, resource mobilisation strategies and performance monitoring mechanisms to ensure effective implementation, accountability and results-oriented management. Through this, we are determined to deliver an industry that is globally competitive, environmentally responsible and socially inclusive.

Its development has been made possible through the collective wisdom and support of many stakeholders. I wish to acknowledge with gratitude the guidance of the Ministry of Agriculture and Livestock Development, the leadership of our Board of Directors under the stewardship of Eng. Hon. Nicolas Gumbo, the invaluable input of county governments, sugarcane farmers and their representatives, millers, research institutions, private sector partners, and development agencies. I also commend our consultants, M/S Eliud and Associates Management Consultants, together with the dedicated staff of the Board, for their expertise and commitment throughout this process.

With this strong foundation, we are confident that the Kenya Sugar Board will drive implementation of the Plan with discipline, efficiency, and transparency. I call

upon all stakeholders to partner with us as we actualise this transformative agenda for the sugar industry and for Kenya.

**JUDE CHESIRE**  
**AG. CHIEF EXECUTIVE OFFICER**

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# Definition of Concepts and Terminologies

Terminology	Definition
<b>Board</b>	Refers to the Kenya Sugar Board
<b>Cane Testing Units</b>	These are specialized laboratories located within sugar mills that are used to scientifically assess the quality of sugarcane delivered by farmers, in terms of its sucrose content and purity.
<b>Climate-smart agriculture</b>	An approach to farming that sustainably increases productivity and incomes, enhances resilience to climate change, and reduces greenhouse gas emissions where possible.
<b>Miwa Bora App</b>	This is a mobile application developed by the Kenya Sugar Board to promote sugar industry information dissemination to the stakeholders.
<b>Sugar Development Fund</b>	A Fund established by the Sugar Act 2024 which is administered by the Board. It comprises of the SDL, any funds provided for its purposes by bilateral or multilateral donors, the National Assembly or a county assembly, and moneys from any other source approved by the Board.
<b>Sugar Development Levy</b>	A levy on domestic sugar not exceeding four per centum of the value and a four per centum of CIF value on imported sugar provided by the Sugar Act 2024. The Act provides for appropriation of the levy as follows: 15% for factory development and rehabilitation; 15% allocated to KESRETI for research; 40% for cane development and productivity enhancement; 15% allocated to sugarcane producing regions for infrastructural development and maintenance; 10% for Board's administration; and 5% applied for the furtherance and exercise of the functions of sugarcane farmers organisations.
<b>SugarVISTA</b>	A comprehensive and centralised digital platform developed by the Board designed to address challenges in the sugar industry through accurate data management smart contracting and advanced GIS mapping.

## Acronyms and Abbreviations

<b>ADC</b>	Agricultural Development Corporation	<b>GCF</b>	Green Climate Fund
<b>AFA</b>	Agriculture Food Authority	<b>GDP</b>	Gross Domestic Product
<b>AFC</b>	Agricultural Finance Corporation	<b>GI</b>	Glycaemic Index
<b>AfCFTA</b>	African Continental Free Trade Area	<b>GIS</b>	Geographic Information System
<b>AI</b>	Artificial Intelligence	<b>GoK</b>	Government of Kenya
<b>API</b>	Application Programming Interface	<b>Govts</b>	Governments
<b>ASTGS</b>	Agricultural Sector Transformation and Growth Strategy	<b>HR</b>	Human Resource
<b>AU</b>	African Union	<b>HRMIS</b>	Human Resource Management Information System
<b>AWPs</b>	Annual Work Plans	<b>IARAF</b>	Internal Audit and Risk Assurance Framework
<b>BETA</b>	Bottom-Up Economic Transformation Agenda	<b>ICT</b>	Information and Communication Technology
<b>BM</b>	Business Model	<b>IFMIS</b>	Integrated Financial Management Information System
<b>BoD</b>	Board of Directors	<b>IMIS</b>	Integrated Management Information System
<b>CA</b>	Competition Authority	<b>ISO</b>	International Organization for Standardization
<b>CIF</b>	Cost, Insurance and Freight	<b>IT</b>	Information Technology
<b>COFEC</b>	Consumer Federation of Kenya	<b>KAM</b>	Kenya Association of Manufacturers
<b>COMESA</b>	Common Market for East and Southern Africa	<b>KEBS</b>	Kenya Bureau of Standards
<b>CSR</b>	Corporate Social Responsibility	<b>KEPHIS</b>	Kenya Plant Health Inspectorate Services
<b>CTUs</b>	Cane Testing Units	<b>KESMA</b>	Kenya Sugar Manufacturers Association
<b>DRP</b>	Disaster Recovery Plan	<b>KESRETI</b>	Kenya Sugar Research and Training Institute
<b>EAC</b>	East African Community	<b>KM</b>	Knowledge Management
<b>EACC</b>	Ethics and Anti-Corruption Commission	<b>KMF</b>	Knowledge Management Framework
<b>EDRMS</b>	Electronic Document and Records Management System	<b>KMFS</b>	Knowledge Management Framework and Strategy
<b>ERM</b>	Enterprise Risk Management	<b>KNBS</b>	Kenya National Bureau of Statistics
<b>ERMF</b>	Enterprise Risk Management Framework		
<b>ERP</b>	Enterprise Resource Planning		
<b>ESG</b>	Environmental, Social and Governance		
<b>GAPs</b>	Good Agricultural Practices		

<b>KPIs</b>	Key Performance Indicators	<b>QAIP</b>	Quality Assurance and Improvement Program
<b>KRA</b>	Kenya Revenue Authority	<b>QAS</b>	Quality Assurance Systems
<b>KRAs</b>	Key Result Areas	<b>QBCPS</b>	Quality-Based Cane Payment System
<b>KSA</b>	Kenya Sugar Authority	<b>QMS</b>	Quality Management System
<b>KSB</b>	Kenya Sugar Board	<b>RMF</b>	Risk Management Framework
<b>LIMS</b>	Laboratory Information Management System	<b>RS</b>	Remote Sensing
<b>M&amp;E</b>	Monitoring and Evaluation	<b>SDF</b>	Sugar Development Fund
<b>MER</b>	Monitoring, Evaluation and Reporting	<b>SDGs</b>	Sustainable Development Goals
<b>MITI</b>	Ministry of Investments, Trade and Industry	<b>SDL</b>	Sugar Development Levy
<b>Mn</b>	Million	<b>SLAs</b>	Service Level Agreements
<b>MOALD</b>	Ministry of Agriculture and Livestock Development	<b>SMS</b>	Short Messaging Service
<b>MOUs</b>	Memorandum of Understanding	<b>SOPs</b>	Standard Operations Procedures
<b>MRP</b>	Media Relations Plan	<b>SP</b>	Strategic Plan
<b>MSME</b>	Micro Small and Medium Enterprises	<b>SPC</b>	Strategic Planning Committee
<b>MT</b>	Metric Tonnes	<b>STI</b>	Science, Technology, and Innovation
<b>MTP-IV</b>	Fourth Medium Term Plan	<b>STTs</b>	Strategic Theme Teams
<b>N/A</b>	Not Applicable	<b>SugarVISTA</b>	Sugar Visual Integrated Smart Technology for Agriculture
<b>NEMA</b>	National Environment Management Authority	<b>TCD</b>	Tonnes of Cane crushed per Day
<b>NRT</b>	Near-Real-Time	<b>TCH</b>	Tonnes of Cane per Hectare
<b>OSHE</b>	Occupational Safety and Health	<b>TIA</b>	Training Impact Assessment
<b>PCs</b>	Performance Contracts	<b>TIPIIC</b>	Teamwork, Integrity, Professionalism, Innovativeness and Customer Focus
<b>PESTEL</b>	Political, Economic, Social, Technological, Environmental and Legal	<b>TNA</b>	Training Needs Assessment
<b>PFM</b>	Public Finance Management	<b>UN</b>	United Nations
<b>PPAD</b>	Public Procurement and Asset Disposal	<b>WIBA</b>	Work Injury Benefit Act
<b>PPP</b>	Public Private Partnership	<b>Wrt</b>	with respect to

## Executive Summary

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The Kenya Sugar Board (KSB) is a statutory body established under the Sugar Act 2024, operating under the Ministry of Agriculture and Livestock Development (MOALD). Its mandate is to regulate, develop and promote the sugar industry, coordinate the activities of value chain actors and ensure equitable access to the industry's opportunities and benefits.

This Strategic Plan sets the course for operationalising the Sugar Act 2024 and guiding the transformation of the sugar industry over the next five years. The Board's vision is "An inclusive facilitator of a globally competitive sugar industry for improved livelihoods" anchored on stakeholder inclusivity, innovation and transparent regulation.

Sugarcane production and milling have grown into a key agricultural and industrial pillar of Kenya's economy, ranking as the fourth most important cash crop after horticulture, tea, and coffee. Today, the industry comprises 15 licensed mills, supports over 350,000 predominantly smallholder farmers across 15 counties, sustains the livelihoods of an estimated nine million Kenyans and contributes about 5.4% to agricultural Gross Domestic Product (GDP). Despite expansion of cane acreage from 126,826 hectares in 2002 to 293,303 hectares in 2024, and a production of 815,454 metric tonnes (MT) of sugar, Kenya still faces a 30% deficit against national consumption of 1.14 million MT, necessitating imports from Common Market for Eastern and Southern Africa (COMESA) and East African Community (EAC) partners.

The enactment of the Sugar Act 2024 has re-established a commodity-specific regulator, restoring the Kenya Sugar Board as the focal institution for sector governance, policy responsiveness and stakeholder representation. Beyond sugar, the industry holds significant untapped potential, particularly in clean energy generation through cogeneration in mills, with a combined crushing capacity of 55,900 Tonnes of Cane crushed per Day (TCD), positioning it as a driver of both economic diversification and energy transformation.

Through extensive stakeholder engagement and rigorous industry analyses, the Board has identified six **strategic goals** on which to anchor the sector's transformation:

1. Increased production and productivity of sugarcane;
2. Enhanced efficiency in sugar production;

3. Strengthened regulatory framework in the sugar industry;
4. Enhanced collaboration in research, partnerships and diversification for industry competitiveness;
5. A sustainable sugar industry; and
6. A well-resourced, competent and accountable Board.

These goals respond to six identified **strategic issues** which include: *Declining farm-level productivity of cane; Sub-optimal factory sugar production; Weak regulatory framework and enforcement leading to non-compliance; Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships; Limited mainstreaming of cross-cutting issues in the industry; and Inadequate institutional resources, capacity and governance systems.*

The Strategic Plan is anchored on six **Key Result Areas** (KRAs): (i) Sugarcane Productivity; (ii) Sugar Production; (iii) Industry Regulation; (iv) Research, Partnerships and Industry Diversification; (v) Industry Sustainability; and (vi) Institutional Development.

To deliver on these KRAs, eight **strategic objectives** have been set, which include:

- ☐ To increase average national sugarcane yield from 75 to 85 TCH by 2027;
- ☐ To promote efficiency in sugar production;
- ☐ To create an enabling legal, regulatory and compliance framework for the sugar industry;
- ☐ To provide credible industry data for decision making;
- ☐ To promote strategic partnerships in research and innovation for industry diversification;
- ☐ To strengthen sugarcane farmer organisations for operational efficiency and sustainability;
- ☐ To integrate sustainable practices in the sugar industry value chain; and
- ☐ To enhance institutional capacity for effective service delivery and operational excellence.

Successful implementation of this Plan will deliver a transformed and competitive sugar industry capable of producing 1.2 million tonnes of sugar annually through improved farm yields and factory efficiency. It will be underpinned by a modernised legal and regulatory framework, evidence-based decision-making, and diversified value-added products that open new markets and investment opportunities. Farmers' organisations will become stronger, more resilient, and

better governed, while the industry as a whole will be environmentally responsible, socially inclusive, and aligned with global sustainability standards.

These outcomes directly contribute to the aspirations of Kenya Vision 2030 and its Fourth Medium-Term Plan (MTP-IV), the Bottom-Up Economic Transformation Agenda (BETA), the Agricultural Policy 2021 and the Agricultural Sector Transformation and Growth Strategy (ASTGS) 2019–2029. They also advance the United Nations Sustainable Development Goals (UN-SDGs) (notably Goals 2, 9 and 13).

To achieve this, the Board has put in place a robust implementation, coordination and risk management framework. The total resource requirement for the Plan is **Ksh 23.74 billion**, against projected inflows of **Ksh 20.58 billion**, leaving a gap of **Ksh 3.17 billion** to be bridged through innovative resource mobilization strategies.

A comprehensive Monitoring, Evaluation and Reporting (MER) framework will ensure results-oriented management, with progress tracked through quarterly, biannual and annual reviews, as well as mid-term and end-term evaluations. These mechanisms will promote efficiency, accountability and transparency in the delivery of the Plan's objectives.

The Strategic Plan is presented in eight chapters and three appendices:

- **Chapter One: Introduction** – Background, context and importance of the sugar industry.
- **Chapter Two: Strategic Direction** – Mandate, functions, vision, mission, values and strategic goals.
- **Chapter Three: Situational and Stakeholder Analyses** – External and internal assessments.
- **Chapter Four: Strategic Issues, Goals, and Key Result Areas** – Critical challenges and focus areas.
- **Chapter Five: Strategic Objectives and Strategies** – Desired outcomes and approaches.
- **Chapter Six: Implementation and Coordination Framework** – Structures and responsibilities.
- **Chapter Seven: Resource Requirements and Mobilisation** – Financial needs and strategies.
- **Chapter Eight: Monitoring, Evaluation and Reporting Framework** – Mechanisms for tracking progress.



- **Appendix** – Implementation matrix and Annual Work Plan for the financial 2025/2026.

This Strategic Plan sets the foundation for a vibrant, competitive, and sustainable sugar industry that uplifts farmers, empowers stakeholders, drives innovation and secures Kenya's place in the regional and global sugar economy.



# CHAPTER ONE: INTRODUCTION

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## Overview

This Chapter provides the background and context for the Strategic Plan, setting out the historical evolution, current status and importance of the sugar industry in Kenya's economy. It further links the Board's Strategic Plan to Kenya's national development agenda, Vision 2030 and its Fourth Medium Term Plan (MTP-IV), BETA plan and international commitments including the SDGs, EAC Vision 2050 and African Union (AU) Agenda 2063.

## 1.1 Strategy as an Imperative for Organisational Success

Kenya's sugar industry continues to evolve with new developments and challenges that require proactive reforms and interventions to remain globally competitive. Responding to these developments to achieve a progressively sustainable and transformative industry requires organisations to proactively but clearly define their direction and priorities.

A Strategic Plan is not merely a plan on paper, rather it is the Board's vital framework that guides decision-making, resource allocation and performance management across the sugar value chain. A well-formulated strategy ensures that the Board remains responsive to industry dynamics, regulatory requirements, and the needs of its broad stakeholders which encompasses sugarcane farmers, millers, traders, researchers, Government agencies, various value chain actors and consumers.

The Strategic Plan acts as a compass, aligning all the Board's activities with the vision, mission and long-term goals. It enables the Board to anticipate challenges such as fluctuating production levels, market inefficiencies and regulatory changes, while capitalising on opportunities for growth, technological adoption and productivity enhancement. By defining clear strategic goals, Key Result Areas (KRAs) and strategic objectives, a strategic approach allows the Board to prioritise initiatives that maximise impact, promote sustainability and strengthen Kenya's sugar sector's competitiveness.

Moreover, strategic planning fosters organisational cohesion and accountability. It provides a shared understanding among employees, management and partners of what success looks like, and the pathways towards achieving it. This alignment is essential for effective coordination, timely execution of projects, and

efficient utilisation of financial, human and technological resources. A strategic orientation also supports a culture of continuous improvement, encouraging innovation, performance monitoring and learning from outcomes to enhance future decision-making.

In essence, strategy is an imperative for the Board's success because it translates vision into actionable plans, mitigates risks and drives performance. Without a deliberate and well-communicated strategy, the Board risks fragmented efforts, resource inefficiencies and missed opportunities in a dynamic sugar industry. Alternatively, a robust strategic framework empowers the Board to fulfil its mandate, enhance stakeholder value and contribute to the socio-economic development of Kenya through a thriving and sustainable sugar industry.

## 1.2 The Context of Strategic Planning

Agriculture has continued to be Kenya's economic catalyst and mainstay for many years. Sugar industry is therefore one of the crucial components of Kenya's agricultural economy. Since 1965, sugar industry has undergone transformation that seeks to strengthen it. Currently, the Government of Kenya is implementing intensive sugar industry reforms aimed at revitalising the sector by addressing challenges of low productivity, inefficient operations and indebtedness. Key reforms include liberalisation, privatisation, and restructuring of state-owned sugar companies and out-grower institutions. These measures are intended to improve efficiency, enhance farmer livelihoods and ensure long-term sustainability of the industry. A significant aspect of the reforms includes leasing out the state-owned sugar factories to private millers.

The reform measures include market stabilisation, privatisation, restructuring, capacity building, infrastructure development, climate change adaptation and technology adoption. The expected outcomes of these reform initiatives include increased sugar production by enhancing efficiency and productivity, improved farmer livelihood through higher yields and better market access, sustainability and competitiveness of the industry, job creation and rural development.

Relocation of KSB from Agriculture Food Authority (AFA) was part of these reform initiatives. The Board, as a principal facilitator of these reforms, has therefore developed this Strategic Plan to provide a roadmap for implementing its mandate and functions, and positioning the industry for long-term sustainability and

competitiveness. Additionally, the Board is responsible for steering growth and development of sugar industry to contribute to both national development agenda as well as the Government's commitments to regional and international blueprints. This Strategic Plan is developed in the context of various international, regional and national blue prints as outlined here below.

### 1.2.1 United Nations 2030 Agenda for Sustainable Development

The Board is cognisant of the Sustainable Development Goals (SDGs) and commits to contribute towards accelerating their achievements. In particular, the Board aims to actively contribute towards achievement of goals number 2, 9 and 13 as illustrated below:



**End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

The Board is committed to advancing Sustainable Development Goal #2 by driving higher productivity and improved incomes for smallholder sugarcane farmers. This will be achieved through expanded access to farm inputs, affordable finance, modern technology, knowledge sharing and efficient markets.

The Board will also champion value addition and strengthen value chain activities to maximise returns for stakeholders. In addition, it will promote sustainable and climate-resilient agricultural practices, improve rural infrastructure, and invest in research and innovation. By reinforcing market systems and information flows, the Board seeks to foster climate-smart sugarcane farming that uplifts farmer livelihoods and contributes to stable, secure and sustainable food systems.



### **Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation**

The Board will strengthen Kenya's sugar industry as a driver of industrialisation, innovation and rural infrastructure development. It will promote research, technology adoption and strategic partnerships to diversify the sugar value chain into high-value products such as ethanol, bioelectricity and industrial-grade sugar.

The Board will also champion modernisation of sugar factories, improved logistics and digitalisation of regulatory processes to increase efficiency and transparency. Through these interventions, the sugar sector will emerge as a hub of innovation and industrial growth, creating new opportunities for employment, trade and investment.



### **Take urgent action to combat climate change and its impacts**

The Board recognises the central role of climate resilience in sustaining Kenya's sugar industry. It will promote climate-smart farming practices, sustainable land management and environmentally responsible milling operations to reduce the industry's carbon footprint.

The Board will also invest in awareness, training and research to strengthen the capacity of farmers and millers to adapt to climate variability. By integrating renewable energy generation and low-emission technologies into the value chain, the Board seeks to align the sugar industry with Kenya's commitments under the Paris Agreement and global climate action goals, ensuring a greener, more sustainable future.

## 1.2.2 African Union Agenda 2063

The Board purposes to contribute towards realisation of the aspirations of the African people as espoused in the African Union Agenda 2063. In particular, the Board's programs will contribute towards realisation of the **Aspirations 1 and 6** as illustrated in **Table 1.2.1** (light-green shaded).

**Table 1.2.1: Aspirations, Goals and Priority Areas of Agenda 2063**

AU Aspirations	Goals	Priority Areas	Board's interventions
<b>Aspiration 1</b> <b>A prosperous Africa, based on inclusive growth and sustainable development</b>	Transformed economies	<ul style="list-style-type: none"> <li>Sustainable and inclusive economic growth</li> <li>STI driven manufacturing, industrialisation and value addition</li> <li>Economic diversification and resilience</li> <li>Tourism/Hospitality</li> </ul>	Focal interventions in integration of STI, research and industry diversification.
	Modern agriculture for increased productivity and production	<ul style="list-style-type: none"> <li>Agricultural productivity and production</li> </ul>	Focal interventions in enhancing sugarcane productivity and production of processed sugar
	Environmentally sustainable and climate resilient economies and communities	<ul style="list-style-type: none"> <li>Sustainable natural resource management</li> <li>Biodiversity conservation, genetic resources and ecosystems</li> <li>Sustainable consumption and production patterns</li> <li>Water security</li> <li>Climate resilience and natural disasters preparedness and prevention</li> <li>Renewable energy</li> </ul>	Promotion of environmental conservation and climate smart agriculture as well as cogeneration activities.
<b>Aspiration 6</b> <b>An Africa whose development is people-driven, relying on the potential offered by African people, especially its women and youth, and caring for children</b>	Full gender equality in all spheres of life	<ul style="list-style-type: none"> <li>Women and girls' empowerment</li> <li>Violence and discrimination against women and girls</li> </ul>	Promoting gender equity and empowering women in sugarcane production and its value chain
	Engaged and empowered youth and children	<ul style="list-style-type: none"> <li>Youth empowerment and children's rights</li> </ul>	Promoting youth participation in sugar industry and its value chain

### 1.2.3 East African Community Vision 2050

The East African Community (EAC) Vision 2050 has earmarked six pillars that will anchor interventions towards realisation of the aspirations of the East African citizens. These pillars include: *Infrastructure development; Agriculture, food security and rural development; Industrialisation; Environment and natural resource management; Tourism, trade and other services development; and Good governance, defence, peace and security.* The Board has outlined various interventions in this Strategic Plan that will effectively contribute towards realisation of the goals and targets set by EAC Vision 2050 as summarised in **Table 1.2.2** (light green shaded alignments).

**Table 1.2.2: Pillars, Goals and Priority Areas of Vision 2050**

Vision 2050 Pillars	Goals	Priority Areas		Board's interventions
		Area	Explanation	
<b>Pillar 2</b> <b>Agriculture, Food Security and Rural Development</b>  <b>270<sup>mil</sup></b> <small>Food Production (Metric Tonnes)</small>	Increased investment and enhanced agricultural productivity for food security and a transformation of the rural economy.	Modernising agriculture	EA states commit to increase investment for transformation of agriculture through mechanisation, irrigation, improved seeds and use of fertilisers among others in order to ensure increased productivity for food security as well as economic prosperity for the citizenry.	The Board will contribute in this priority area by investing and promoting practices that improve sugarcane productivity at farm levels, and empowering small-scale holders to access improved farm technologies through farmers' associations.
		Food security and nutrition	EA states are committed to spending at least 10 per cent of national budgets on agriculture development pursuant to Maputo Declaration on Food Security and Agriculture as well as the Malabo Declaration on accelerated agricultural growth and transformation for shared prosperity and improved livelihoods.	The Board will enhance investment in climate smart agriculture that contributes to food security and nutrition.
		Rural development	EA states identify key areas for investment opportunities in rural economies to include promoting sustainable agricultural practices; rural infrastructure, storage capacities and related technologies; research and development; rural industrialisation and extension services; and strengthening urban-rural linkages.	The Board commits to promote research in high yielding cane varieties and ensuring access by farmers, as well as improving infrastructure in sugar belt zones. The Board will also allocate a significant portion of the sugar development levy towards affordable credit facilities for farmers and sugar value chain actors.



Vision 2050 Pillars	Goals	Priority Areas		Board's interventions
		Area	Explanation	
<b>Pillar 3</b>  <b>Industrialisation</b> <b>10%</b> <small>Manufacturing contribution to GDP</small>	Leveraging industrialisation for structural transformation and improved intra-regional and global trade.	Manufacturing	The EAC policy has specifically identified six strategic sectors which include iron-ore and other mineral processing; fertilisers and agro-chemicals; pharmaceuticals; petro-chemicals and gas processing; agro-processing; and energy and bio-fuels. In addition, there are value chain studies to enable fast tracking of the development of these sectors.	The Board commits to promote investment in sugar industry value chain.
		Agro-processing industry	The region recommends priority sub-sectors for investment to include: leather and leather products, cotton (textile manufacturing), dairy, sugar, meat and maize.	The Board commits to promote growth and efficiency in national sugar production as its core mandate.

### 1.2.4 The COMESA Treaty and African Continental Free Trade Area (AfCFTA)

The Common Market for East and Southern Africa (COMESA) primary objective is to promote regional integration and sustainable economic development within its member states, focusing on trade liberalisation, customs cooperation and development of natural and human resources. This includes creating a Free Trade Area, managing a Customs Union and harmonizing macroeconomic and monetary policies. Additionally, COMESA aims to strengthen peace, security and stability, as well as facilitate trade and investment.

On trade liberalisation, COMESA has worked towards removal of non-tariff trade barriers and harmonisation of customs. The free market and customs union creates an opportunity for Kenya to export and/or import sugar to COMESA duty free, and this expands market and creates more opportunities for the industry.

Kenya is also a member of the African Continental Free Trade Area (AfCFTA). When AfCFTA becomes fully implemented, the effects will be similar to those of the COMESA treaty as the aim is to liberalise intra-Africa trade.

The interventions of the Board towards contributions to COMESA and AfCFTA Protocols will include:

- ❖ Continuous engagement with COMESA through the relevant Ministries and securing exemptions to liberalisation obligations (e.g. through duty and quotas) so as to protect the local sugar industry;
- ❖ Continuous industry intervention towards maximising sugarcane productivity, enhancing production efficiencies, promoting commercialisation of innovations and other initiatives that will make the industry competitive and sustainable in the long term.

### 1.2.5 Constitution of Kenya

The interventions of the Board in compliance with the Constitution of Kenya 2010 will include:

- ❖ Integration of fair administrative action/ processes in all its operations;
- ❖ Promotion of stakeholder engagement and consultations towards creating an effective regulatory environment for the industry players;
- ❖ Establishing mechanisms that will promote prompt and fair delivery of mandated services to the public; and
- ❖ Ensuring that its internal policies, procedures and guidelines are aligned with the constitutional provisions.

### 1.2.6 Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan

Kenya Vision 2030 aims to create a secure and prosperous country by the year 2030. The blueprint has three pillars, namely, *Economic, Social and Political governance*. The current implementation cycle falls under the Fourth Medium Term Plan (MTP-IV) running from 2023 to 2027. The Board has therefore aligned this Strategic Plan with the MTP-IV objectives, priority sectors and core pillars which are illustrated in **Fig 1.2.1**.



**Figure 1.2.1: MTP-IV Objectives, Pillars and Sectors**

The Bottom-Up Economic Transformation Agenda (BETA) sets out different themes touching on the Government's agenda which aims at: *bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax revenue base and improving foreign exchange balance*.

The BETA plan identifies the following core pillars: *Agriculture; Micro Small and Medium Enterprises (MSME); Housing and settlement; Healthcare; Digital superhighway and creative economy*.

In contributing towards realisation of the objectives espoused in BETA plan and the MTP-IV, the Board will focus on *agriculture* and *MSME* pillars through the following interventions:

- ❖ Promoting growth of the sugar industry and its value chains;
- ❖ Enhancing value addition in sugar industry;
- ❖ Implementing and promoting policies and programmes that improve income of sugarcane farmers and its value chain actors.

### **1.2.7 Sector Policies and Policy Laws**

The Board's strategic planning process took into account the relevant policies and laws governing development of the agriculture sector. The most relevant law in this regard is the Sugar Act 2024. Relevant policies governing the agriculture sector in general, and the sugar industry in particular are the Agricultural Policy 2021,

Agricultural Sector Transformation and Growth Strategy (ASTGS - 2019-2029) and Policy on Revitalisation of the Sugar Industry 2023.

Besides these sugar industry-specific laws and policies, there are other laws that are critical for the operations of the Board. These include the Public Finance Management Act, 2012, Public Procurement and Assets Disposal Act, 2015, Data Protection Act, 2019, Access to Information Act, 2016, Fair Administrative Action Act, 2015, Conflict of Interest Act, 2025, Public Service (Values and Principles) Act, 2015 and Leadership and Integrity Act, 2012, among others. The Board will mainstream these legal instruments in its operations and internal policies, procedures and guidelines.

### **1.3 History of the Kenya Sugar Board**

The history of the Board dates back to 1973 with the enactment of Kenya Sugar Authority Order (Cap 318 Laws of Kenya) that established the defunct Kenya Sugar Authority. The Authority was then mandated to promote and foster effective and efficient development of sugarcane for the production of white sugar in Kenya, and advise on the rules and regulations necessary to enable effective and efficient functioning and development of the sugar industry. From 1st April 2002, Kenya Sugar Board was established under the Sugar Act 2001 to succeed Kenya Sugar Authority, with a mandate to regulate, develop and promote sugar industry in Kenya. This mandate included coordinating the activities of industry players and facilitating equitable access to the benefits and resources of the industry by all interested parties.

Kenya Sugar Board (KSB) was subjected to the 2010 structural reforms by the Ministry of Agriculture and Livestock Development, which culminated into the merger of parastatals which performed related functions. The Board became one of the organisations which was merged under the Agriculture and Food Authority Act 2013, subsequently being known as Sugar Directorate under Agriculture and Food Authority (AFA). The objectives of these reforms were not realised and numerous challenges were experienced. Consequently, on 1st November 2024, Kenya Sugar Board was re-established under the Sugar Act 2024.

## 1.4 Methodology of Developing the Strategic Plan

Upon its restoration from the Sugar Directorate in AFA, it has become imperative for the Board to develop its Strategic Plan that will provide a roadmap for implementation of its mandate.

A structured, participatory and evidenced-based methodology was adopted for development of the Board's Strategic Plan. A Strategic Planning Committee (SPC) comprising of key representatives from various directorates and departments was set up by the Board to guide the Plan's development, under facilitation by an external consultant.

The Strategic Planning Committee conducted a comprehensive situational analysis of the Board's operational environment, underscoring the prevailing strengths, weaknesses, opportunities and threats and past performance. The objective of the analysis was to provide clear understanding of the internal capacities and external environment influencing the Board's future operations.

This was followed closely with a wider industry stakeholder engagements and consultations whose objectives was to gather inputs on expectations, needs and priorities. The consulted stakeholders included the Board's directors and senior management, sugar millers, farmers, various Government ministries and agencies, research institutions, major sugar importers and traders, development partners, among others. The consultations enriched the Plan by ensuring responsiveness, inclusiveness and alignment with both the Board's goals and broader national and regional development agenda.

The analysis and consultations culminated into formulation of strategic priorities, goals, KRAs, objectives, initiatives and Key Performance Indicators (KPIs), implementation arrangements and monitoring and evaluation frameworks. The drafted Strategic Plan was then subjected to review and validation by key stakeholders whose feedback was incorporated before approval, adoption, publication and cascading the Plan for implementation.

# CHAPTER TWO: STRATEGIC DIRECTION

## Overview

This Chapter outlines the strategic focus of the Board over the planning period, presenting the Board's mandate and functions, the vision, mission, core values and strategic goals that guide the Board's operations and industry's transformation. It sets the overall direction for the Board against which all interventions and initiatives are aligned.

### 2.1 Mandate

The Board's mandate as prescribed in the Sugar Act 2024, Section 4 states that the main functions of the Board are:

- a) regulate, develop and promote the sugar industry,
- b) co-ordinate the activities of value chain actors within the industry, and
- c) facilitate equitable access to the benefits and resources of the industry by all interested parties.

The Act, thus, mandates the Board to promote the growth and development of the sugar industry in Kenya while ensuring that it operates in a transparent, efficient and sustainable manner, serving the interests of all stakeholders, including consumers, producers and the broader public.

### 2.2 Vision Statement

An inclusive facilitator of a globally competitive sugar industry for improved livelihoods.

### 2.3 Mission Statement

To sustainably regulate, develop and promote the sugar industry for economic growth and transformation.

## 2.4 Strategic Goals

Kenya Sugar Board desires to achieve the following six goals during the implementation of the Strategic Plan (2025-2027):

- ☐ **Goal 1:** Increased production and productivity of sugarcane.
- ☐ **Goal 2:** Enhanced efficiency in sugar production.
- ☐ **Goal 3:** Strengthened regulatory framework in the sugar industry.
- ☐ **Goal 4:** Enhanced collaboration in research, partnerships and diversification for industry competitiveness.
- ☐ **Goal 5:** A sustainable sugar industry.
- ☐ **Goal 6:** A well-resourced, competent and accountable Board.

## 2.5 Core Values

The Board strongly believes that to be successful in implementation of its mandate and core functions, it must nurture a culture of good corporate governance and optimal utilisation of its resources for the overall benefit of the citizens of Kenya. It has therefore adopted value statements which serve as core principles that underpin its performance and operations and determine its internal and external relationships, coined as TIPIC.

Value	Description
<b>Teamwork</b>	We foster collaboration of all actors in the sugar industry to achieve common goals.
<b>Integrity</b>	Our actions will embody ethics, transparency and a commitment to doing the right thing at all times.
<b>Professionalism</b>	We aspire to be an excellent organisation, demonstrating competence, prudence, dependability, respect and responsibility.
<b>Innovativeness</b>	We rally the industry to explore and embrace new ideas to improve efficiency and sustainability.
<b>Customer Focus</b>	We put customers first and continuously provide equitable, timely and quality services that meet the expectations of stakeholders.

## 2.6 Quality Policy Statement

The Kenya Sugar Board is committed to regulating, developing and promoting a globally competitive and sustainable sugar industry in the most efficient and innovative manner. This mandate demands adherence to quality standards. The Board will, therefore, put in place measures to ensure the players in the industry observe quality standards of services and products that are universally acceptable. Quality assurance policy procedures will be continuously updated and both staff and stakeholders will be regularly trained on quality standards.

**In fulfilling this mandate, the Board shall:**

- a) Uphold and enforce sugar industry standards in line with national laws, international best practices and stakeholder expectations.
- b) Support the adoption of modern technologies, research and industry best practices to enhance productivity and quality across the sugar value chain.
- c) Provide timely, transparent and responsive services to farmers, millers, County Governments, investors and the general public.
- d) Establish, maintain and continually improve our Quality Management System per ISO 9001:2015 requirements.
- e) Promote awareness and understanding of this quality policy throughout the organisation while maintaining transparency with all stakeholders.
- f) Implement, monitor and regularly review this policy and quality objectives to maintain compliance, sustainability and alignment with changing regulatory and stakeholder requirements.



## CHAPTER THREE: SITUATIONAL AND STAKEHOLDERS ANALYSES

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### Overview

This Chapter diagnoses the external and internal operational environment of the Board, highlighting key strengths, weaknesses, opportunities and threats that influence its performance and overall sugar industry development. It also examines the past performance of the Board with respect to key achievements, challenges and lessons learnt. The roles, influence, interests and expectations of the Board's stakeholders are also mapped under this Chapter, while outlining its response actions to foster collaboration and shared accountability in driving industry transformation.

### 3.1 Situational Analysis

The analysis draws from political, economic, social, technological, environmental and legal (PESTEL) factors, alongside an evaluation of trends and developments in the sugar industry. Internally, it assesses the Board's capacity, operational effectiveness, financial health and human resource capabilities.

By understanding these dynamics, the Board can align its strategic objectives with prevailing realities, anticipate risks, leverage strengths and respond proactively to emerging opportunities. The findings of this Chapter form the foundation upon which the strategic priorities and initiatives outlined in subsequent sections are built.

#### 3.1.1 External Environment

Analysis of external environment has been done along the macro and industry factors as summarised in the subsequent section and **Table 3.1.1**, denoting the opportunities and threats.

### **3.1.1.1 Macro Environment**

The Board's macro-environment was analysed along political, economic, social, technological, ecological and legal (PESTEL) factors. Even though these factors are external, they shape how the Board will position itself to implement its core mandate.

#### **1. Political**

With specific regards to sugar industry, devolution has shifted critical agricultural and land-use functions to county governments, while the national government continues to oversee trade policy, standards and cross-border issues. At the same time, regional blocs, namely EAC, COMESA and AfCFTA play a significant role in shaping tariff regimes and determining market access for sugar. Local sugar industry is also heavily influenced by politics and periodic government interventions, including price stabilisation measures, import permits, bailouts of state-owned mills and privatisation or revitalisation programs, all of which affect both incentives and the overall stability of the industry. The industry has also been under immense public scrutiny on matters relating to corruption, illegal sugar imports, indebtedness and persistent inefficiencies within sugar mills.

#### **2. Economic**

Kenya's sugar industry operates within a dynamic economic environment that presents both opportunities and challenges. Demand for sugar has remained steady and continues to grow, driven by population expansion, urbanisation and increasing use in food and beverage processing. However, local production has often lagged behind consumption needs, resulting in a persistent reliance on imports to bridge the deficit. This import dependence exposes the sector to external market dynamics, particularly foreign exchange fluctuations and global sugar price cycles, which in turn influence the competitiveness of locally produced sugar and shape investor confidence in the industry.

The cost structure of domestic sugar production remains high, largely due to expensive inputs such as fertiliser, rising transport and energy costs and the inefficiencies of aging milling infrastructure. These cost pressures have significantly eroded profit margins, leaving both millers and farmers vulnerable to price volatility. In addition, delays in payments to farmers, coupled with the attractiveness of alternative high-value crops like maize, horticulture and oilseeds,

have weakened farmer loyalty to sugarcane and at times led to a decline in cane supply to factories.

A further economic challenge lies in limited access to affordable credit and financing for both farmers and millers, which constrains investment in modernisation, mechanisation and yield-enhancing technologies. Poor rural infrastructure, especially feeder roads, adds to transport inefficiencies and reduces competitiveness. On the other hand, the sugar industry has opportunities to strengthen its economic position by diversifying into value-added products such as ethanol, cogenerated power and specialty sugars, while also deepening linkages with regional and industrial buyers. If well-managed, these initiatives could reduce vulnerability to imports, stabilise incomes across the value chain, and enhance the industry's long-term economic sustainability.

### **3. Social**

Sugarcane farming plays critical role in supporting rural livelihoods and reducing poverty in the sugar belt. The country is under pressure to provide employment and income generating opportunities for the bulging youthful demographics and persistent underemployment. There is a growing shift in consumer preferences and rising health concerns regarding sugar consumption, particularly in relation to non-communicable diseases. These concerns are beginning to influence purchasing patterns and policy debates. As a country, Kenya still grapples with gender disparities as evident within the out-grower system, where women often face barriers in land ownership, access to inputs, and participation in decision-making, limiting their potential contribution to the sector's growth.

Social expectations around fairness and accountability are also intensifying, with farmers increasingly demanding transparent weighing systems, timely payments and equitable contracts. Past grievances linked to exploitation and delayed remittances have eroded trust in parts of the value chain, making improved governance and farmer-centric service delivery essential for restoring confidence. Furthermore, the gradual aging of smallholder farmers and rural-urban migration is creating concerns about the long-term sustainability of cane farming, underscoring the need to attract and retain younger generations through innovation, skills development and better incentives.

## 4. Technological

Technological advancement presents significant potential for transforming Kenya's sugar industry, though adoption has been uneven across the value chain. A wide range of yield-enhancing technologies is available, including improved sugarcane varieties, seed-cane quality assurance systems, soil testing services, mechanised land preparation and harvesting, and more efficient irrigation methods. These innovations have demonstrated the ability to raise productivity and reduce production costs, yet smallholder farmers often face barriers such as limited awareness, high initial costs, and inadequate access to extension services, which slows widespread uptake.

On the processing side, sugar mills stand to benefit greatly from modern technologies in process control, energy efficiency and diversification into value-added by-products. Opportunities exist in cogeneration from bagasse, ethanol production and the conversion of molasses into industrial products, all of which can provide alternative revenue streams and reduce reliance on raw sugar sales. Digitalisation is also reshaping the sector, with tools such as automated weighbridge systems, Enterprise Resource Planning (ERP) platforms, and mobile applications for farmer engagement enabling greater transparency, efficiency and accountability in cane supply chains.

Emerging technologies such as remote sensing, drone surveillance and farm-level digital advisory services are becoming increasingly accessible and can provide real-time data to guide crop management, pest and disease control and harvest scheduling. However, widespread uptake remains constrained by high capital requirements, limited digital literacy among smallholder farmers and interoperability challenges between different systems. Without deliberate efforts to create inclusive models, there is a risk of excluding small-scale growers from the benefits of modernisation. Nonetheless, if strategically harnessed, technology can be a powerful enabler of competitiveness, sustainability and long-term resilience in Kenya's sugar sector.

## 5. Environmental

Climate variability, characterized by recurrent droughts, flooding and shifting rainfall patterns, creates uncertainty in sugarcane production and reduces the reliability of yields. These conditions are further compounded by the spread of pests and diseases as well as declining soil fertility, which undermine both cane

quality and farm profitability. The challenge of maintaining soil health is particularly critical given the intensive monocropping systems used in most cane-growing zones.

Water availability and catchment health are under increasing pressure as competing demands from domestic, industrial and agricultural users intensify. For mills, this raises the dual challenge of securing adequate water for processing while also ensuring compliance with stricter environmental standards on effluent discharge and air emissions. Poor waste management practices not only threaten ecosystems and human health but also attract regulatory penalties and erode community trust. Similarly, land-use changes driven by expanding settlements, competing crops and encroachment on fragile ecosystems have heightened biodiversity concerns, necessitating safeguards to balance production with conservation imperatives.

On the positive side, the sector has opportunities to embrace climate-smart agricultural practices such as drought-tolerant cane varieties, conservation tillage, mulching and integrated pest management to adapt to changing climatic conditions. In addition, circular economy solutions, including waste-to-energy initiatives, cogeneration from bagasse, and environmentally safe vinas management, provide avenues for reducing waste, cutting energy costs and unlocking new revenue streams. If effectively mainstreamed, these approaches can enhance resilience, improve sustainability credentials and open up access to green financing opportunities that support long-term industry competitiveness.

## **6. Legal**

The legal and regulatory framework in sugar industry encompasses agricultural and crop-specific regulations, competition and anti-counterfeit laws, environmental and labour standards, as well as weights and measures systems. Food safety and quality standards are also critical for consumer protection and market access, while increasing adoption of digital systems has brought data protection and privacy regulations into focus. At the county level, bylaws relating to levies, zoning and land-use planning further add to the regulatory environment, creating both opportunities for localised management and challenges of policy alignment across jurisdictions.

The industry is also subject to periodic policy and legislative reforms, many of which have significant implications for institutional mandates, import regimes and overall sector governance. Such reforms are often intended to promote

competitiveness and efficiency but can also create uncertainty and adjustment costs for stakeholders, particularly when implementation is inconsistent or poorly coordinated. Similarly, public procurement rules and Public Private Partnership (PPP) frameworks play a decisive role in shaping the turnaround strategies for state-owned mills, rehabilitation of infrastructure and investment in new processing or energy facilities. Regulatory enforcement has historically been uneven. Weak or selective enforcement of import regulations has allowed illegal or substandard sugar to enter the market thus undermining fair competition and consumer trust. Overlapping mandates between national and county institutions have sometimes led to duplication, inefficiency or regulatory gaps.

### **3.1.1.2 Industry Analysis**

The Kenyan sugar industry, with roots tracing back to the early 1900s when Indian labourers engaged in the construction of the Kenya-Uganda Railway, introduced sugarcane cultivation around Lake Victoria. The first sugar factory was established at Miwani in Kisumu County in the year 1922, followed by Ramisi in 1927 in Kwale County, in the Coastal region. The industry has evolved into a major agricultural and economic pillar expanding rapidly post-independence era under Sessional Paper No. 10 of 1965, which prioritised socio-economic growth, regional equity, indigenous entrepreneurship and foreign investment. Currently, sugarcane is the fourth major cash crop after horticultural crops, tea and coffee.

With the liberalisation of the economy in 1980 and subsequent improvement of the regulatory framework, the sugar sector has attracted several private players. Today, Kenya has 17 licensed mills, 15 operational, including the four recently leased state-owned sugar factories i.e., South Nyanza Sugar Company Ltd, Nzoia Sugar Company Ltd, Muhoroni Sugar Company Ltd and Chemelil Sugar Company Ltd. The other private players include: West Kenya and its Olepito and Naitiri units, Butali, Kibos, Transmara, Sukari, Kwale, Busia, West Valley and Soin. The industry supports over 350,000 farmers, 94% being smallholders spread across 15 counties. The industry sustains livelihoods for an estimated nine million Kenyans and contributes about 5.4% to agricultural GDP (KNBS,2024). In 2023, sugarcane accounted for 8.4% of the marketed value of all crops, with significant economic influence in 15 counties (KNBS,2024).

The sugar industry has steadily expanded over the years. To meet the expanding mill crushing capacities, the area under cane has increased from 126,826 hectares in 2002 to 293,303 hectares in 2024, yielding 9.3 million MT of cane and

815,454 MT of sugar. Despite the country's potential for self-sufficiency in sugar production, several mills continue to operate below optimal levels, thereby necessitating the country to fill in the deficit by importing sugar mainly from COMESA/EAC partners under safeguard quotas. In 2024, consumption reached 1.14 million MT, leaving a deficit of about 30%. Demand in the next five years is projected to stay above 1.25 million MT.

The legal and regulatory environment of the sugar industry has been shaped by a structured transition from the Crops Act, 2013, and the Agriculture and Food Authority (AFA) Act, 2013, to the newly enacted Sugar Act, 2024. Under the previous legal framework, the sugar sector operated as one of several value chains regulated under the broad mandate of the Agriculture and Food Authority (AFA), which consolidated multiple agricultural commodity boards. The Sugar Act, 2024, however, marks a deliberate return to a commodity-specific governance model, re-establishing a dedicated regulatory Board with a singular focus on the sugar industry. This shift is intended to strengthen stakeholder representation, enhance sector-specific policy responsiveness, and address persistent challenges that were inadequately resolved under the Crops Act, 2013, and the AFA Act, 2013. The sugar industry is not just about sugar. Every sugar mill has the potential of being a hub of clean energy production, powering homes, schools and industries. With a total installed capacity of 55,900 tonnes of canes crushed per day (TCD), the industry holds the key to the transformation of the country's energy landscape.

### 3.1.2 Summary of Opportunities and Threats

**Table 3.1.1** provides a summary of the Board's opportunities and threats based on analysis of the external operational environment.

**Table 3.1.1: Summary of Opportunities and Threats**

Factor	Opportunity	Threats
<b>Political</b>	<ul style="list-style-type: none"> <li>• Leverage coordination between National and County Governments in agricultural matters to support interventions.</li> <li>• Use regional diplomacy to secure fair safeguards and predictable import windows.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy volatility i.e. sudden import waivers and tariff shifts that destabilise farm-gate prices.</li> <li>• Politicisation of mill ownership/privatisation decisions delaying reforms.</li> <li>• Cross-border smuggling or irregular import undercuts local producers.</li> </ul>



Factor	Opportunity	Threats
	<ul style="list-style-type: none"> <li>• Harness political goodwill and Government commitment towards sugar industry reforms to transform the industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential rivalry between counties over compliance with cane catchment areas and taxation.</li> <li>• Inadequate cooperation from the county governments.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Initiate interventions that promote high sugarcane productivity and efficiencies in production while minimising costs.</li> <li>• Promote industry diversification to stabilise revenues.</li> <li>• Strengthen value chain finance to improve industry performance.</li> <li>• Promote investment in the industry to reduce the market deficit and generate surplus for export.</li> </ul>	<ul style="list-style-type: none"> <li>• Credit constraints and high interest rates stall mill upgrades and farm mechanisation.</li> <li>• High cost of production.</li> <li>• Waning confidence among farmers on industry sustainability.</li> <li>• Competition from more affordable imported sugar.</li> <li>• Poor road infrastructure within the sugar belt.</li> <li>• Forex fluctuations which impact cost of imported sugar.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Designing interventions to mainstream women and youth participation in industry and its value chain.</li> <li>• Enhancing production to meet demands of the growing population.</li> <li>• Nutrition education and product diversification i.e. Low Glycaemic Index (GI) options and portioning for evolving consumer preferences.</li> <li>• Community development compacts i.e. roads, clinics and schools in sugar belt zones to strengthen social license.</li> <li>• Enforcing regulations to enhance fair trade, promote traceability and farmer-centric service charters to build loyalty.</li> </ul>	<ul style="list-style-type: none"> <li>• Changing dietary preferences may dampen sugar demand in some segments.</li> <li>• Labour disputes, industrial unrests or community conflicts over land, out-grower contracts, or delayed payments.</li> <li>• Rural-urban migration and aging farmer base reduce farm labour availability.</li> <li>• Erosion of trust among farmers due to historical grievances such as disputed weights, cane poaching and delayed payment.</li> </ul>



Factor	Opportunity	Threats
<b>Technological</b>	<ul style="list-style-type: none"> <li>Improving sugarcane farm yield using new technology and innovations.</li> <li>Shift towards renewable energy and circular economy.</li> <li>Digitalisation of the cane supply chain.</li> <li>Leveraging modern technology for enhanced stakeholder engagement.</li> </ul>	<ul style="list-style-type: none"> <li>High capex for mill modernisation and mechanisation thus smallholders risk exclusion without inclusive models.</li> <li>Technology fragmentation and interoperability issues as well as stakeholders' resistance.</li> <li>Cybersecurity and data risks.</li> <li>Rapid obsolescence of technological infrastructure.</li> <li>Lack of collection, collation and analysis of climate related data.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Cleaner environmental footprint.</li> <li>Diversification into other sugar crops.</li> <li>Intercropping and crop rotation initiatives.</li> <li>Soil rehabilitation.</li> <li>Promotion of integrated pest management.</li> <li>Scaling climate-smart practices.</li> <li>Payment for ecosystem services and carbon projects i.e. bagasse energy and efficient boilers to unlock finance.</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate mitigation and adaptation strategies for climate change and weather variability.</li> <li>Environmental pollution through poor waste disposal by some mills i.e. discharging untreated effluent into rivers and soils.</li> <li>Shrinking agricultural land and loss of strategic sugarcane production zones.</li> <li>Increased frequency of extreme weather events disrupting harvest/transport and reducing sucrose content.</li> <li>Soil degradation.</li> <li>Increased vulnerability to pests due to climate stressors.</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>Policy interventions and harmonisation of regulations and sector laws.</li> <li>Enforcement and compliance.</li> <li>Use of Alternative Dispute Resolutions among industry stakeholders.</li> <li>Collaborative framework between the Board and respective county governments in sugar belt.</li> <li>The Sugar Act 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory overlap/ambiguity leading to forum shopping, weak enforcement and non-compliance by some stakeholders.</li> <li>Unpredictable change in rules such as tax regimes, levies and import quotas.</li> <li>Litigation threats over contracts, environmental liabilities, labour and partisan stakeholders.</li> <li>Legislation, policy and regulation gaps.</li> <li>Delayed reforms and industry progression efforts.</li> </ul>
<b>Industry environment</b>	<ul style="list-style-type: none"> <li>Value addition, diversification and industry value chain enterprising.</li> </ul>	<ul style="list-style-type: none"> <li>Persistent production deficits.</li> <li>Sub-optimal operations of the mills – reduces appetite for more investment.</li> <li>High competition from imported sugar.</li> </ul>

Factor	Opportunity	Threats
	<ul style="list-style-type: none"> <li>• Strong historical foundation and entrenched role of sugarcane as Kenya's fourth major cash crop and impact on GDP.</li> <li>• Expansion of cane acreage.</li> <li>• Increasing domestic demand.</li> </ul>	<ul style="list-style-type: none"> <li>• Import dependency due to perennial under supply exposing the sector to external shocks.</li> </ul>

### 3.1.3 Internal Environment

Analysis of internal environment was carried out by examining the Board's strengths and weaknesses on the basis of its governance and administrative structures, internal business processes, and resources and capabilities. The summary of strengths and weaknesses drawn from the Board's internal environment is captured in **Table 3.1.2**.

#### 3.1.3.1 Governance and Administrative Structures

The Board has a functioning governance and administrative structure that allows it to effectively implement its mandate anchored on the Sugar Act 2024 and subsequent regulations. This is underpinned by a supportive leadership comprising of the Board of Directors (BoD) and top management. The Board will leverage on these strengths to effectively implement this Strategic Plan. However, the Board also identified resource-intensive process of BoD composition i.e. the election of grower representatives to the BoD, and protracted decision-making processes and bureaucracy affecting policy implementation as some of the weaknesses likely to impede implementation of the Strategic Plan. Other key weaknesses identified include inadequate internal policies and frameworks to ensure effective operation. Appropriate strategies will be formulated to capitalise on the identified strengths while addressing the weaknesses.

#### 3.1.3.2 Internal Business Processes

Under internal business processes, the Board has identified a number of strengths which include: automated business processes for ease of operation such as Integrated Management Information System (IMIS), corporate Enterprise Resource Planning (ERP), Miwa Bora application for sharing information with the

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stakeholders, levy collection system, various procedure manuals, and collaborative frameworks with other Government agencies and stakeholders. The weaknesses that have been identified under internal business processes include fragmented and stand-alone ICT systems running on obsolete technologies which are prone to cyber-attacks, lack of proper data management system and emerging technologies such as Artificial Intelligence (AI), lack of Quality Management System (QMS), inadequate backup systems, insufficient collaborative frameworks with specific county governments within the sugarcane growing zones, and inadequate system integration with other industry stakeholders, especially the millers.

### 3.1.3.3 Resources and Capabilities

Resource and capability analysis was conducted to determine the Board's strengths and weaknesses. Key strengths identified include: skilled, competent and diverse human capital, strong Information Communication Technology (ICT) infrastructure with capability for upscaling, positive organisational culture, ring-fenced revenue source under Sugar Development Levy (SDL), offices and logistics to implement its programs.

The observed weaknesses include: limited financial resource mobilisation, inadequate human capital, weak enforcement of industry regulations, skill-set and competence gaps, and weak internal data management.

### 3.1.4 Summary of Strengths and Weaknesses

**Table 3.1.2** provides a summary of the Board's strengths and weaknesses based on analysis of the internal operational environment.

**Table 3.1.2: Summary of Strengths and Weaknesses**

Factor	Strength	Weakness
<b>Governance and administrative structure</b>	<ul style="list-style-type: none"> <li>Multi-stakeholder representation at the BoD level.</li> <li>The Board's establishment and operations are backed by legal framework under Sugar Act 2024.</li> <li>Approved governance and administration structure.</li> </ul>	<ul style="list-style-type: none"> <li>Challenges on implementing BoD members' recruitment.</li> <li>Internal bureaucracy affecting policy implementation.</li> <li>Occasional submission to external influence and industry politics.</li> </ul>

Factor	Strength	Weakness
<b>Internal business processes</b>	<ul style="list-style-type: none"> <li>Automated business processes for Board's operations.</li> <li>Enterprise Resource Planning system.</li> <li>Miwa Bora application used to disseminate relevant industry information to the stakeholders and the public.</li> <li>Levy collection system – for revenue collection.</li> <li>Various procedure manuals.</li> <li>Collaborative frameworks with other Government agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Fragmented and stand-alone ICT systems running on obsolete technologies.</li> <li>Lack of proper data management system and emerging technologies.</li> <li>Lack of internal Quality Management System.</li> <li>Inadequate collaborative frameworks with specific county governments within the sugarcane growing zones.</li> <li>Weak policy and regulation enforcement linkages.</li> <li>Limited use of competition metrics in policymaking.</li> <li>Fragmentation between research, policy and industry priorities.</li> <li>Limited use of digital platforms for youth engagement.</li> <li>Inadequate system integration with other industry stakeholders, especially the millers.</li> </ul>
<b>Resources and capabilities</b>	<ul style="list-style-type: none"> <li>Funding – through SDL and other sources.</li> <li>Skilled, competent and diverse human capital.</li> <li>Strong interoperable ICT infrastructure.</li> <li>Strong and positive organisational culture.</li> <li>Remarkable institutional memory that lends to operational efficiency.</li> <li>Regional presence across the major sugar zones (Western, Nyanza and Coast regions).</li> </ul>	<ul style="list-style-type: none"> <li>Limited resource mobilisation.</li> <li>Inadequate human capital.</li> <li>Weak internal data management.</li> <li>Inadequate laboratory facilities for real-time sugar testing in some counties.</li> <li>Resource constraints for routine field inspections.</li> <li>Inadequate ICT backup infrastructure.</li> </ul>

### 3.1.5 Analysis of Past Performance

Whereas Kenya Sugar Board in its present form has been operational for only half a year, it took a reflective review of its performance while it was a directorate under AFA. This review considered its key achievements, performance gaps and lessons learnt as outlined below.

#### 3.1.5.1 Key Achievements

The Board, through its predecessor—the Sugar Directorate—has achieved significant milestones over the years. Notable achievements include promoting sugarcane cultivation to 293,303 hectares thereby increasing the area under sugarcane by 27%, boosting sugarcane production by 113%, improving sugarcane yield by 14% and raising sugar production by 112%. The Board has also developed and implemented a cane-pricing model, facilitated industry research, licensed 15 millers, increased the value of sugar sales by 148% and sustained annual sugar production, reaching 815,454 metric tonnes in 2024.

Additional achievements include facilitating the development of key policies and regulations such as the Sugar Regulations, the Code of Conduct and the Policy on Revitalisation of the Sugar Industry (2023), supported by improving compliance mechanisms. These initiatives have collectively improved operational efficiency across the industry. Furthermore, the Board has operationalised the Sugar Development Levy, which is expected to generate revenue required to implement the Sugar Act (2024).

#### 3.1.5.2 Challenges

Despite the aforementioned milestones, the Board and the industry as a whole continue to face a number of challenges. These challenges contribute to under-performance of the industry against local expectations, regional and global peers. Key among the identified challenges include declining cane yield and low factory efficiency levels, unstable cane and sugar prices, limited diversification of sugarcane products and adoption of modern farming technologies at the farm level, financial constraints, heavy political patronage, occasional non-compliance with regulations and directives issued by the Board as well as climate change impact.

### 3.1.5.3 Lessons Learnt

The Board has gathered several key lessons that underscore the importance of sound governance, farmer-centred policies and collaborative action. Political interference was found to create bias in recruitment and tendering for key consultancies, often producing mediocre outputs and driving decisions that do not serve the industry's best interests. Central to the Board's success is the recognition that the farmer must remain at the heart of every decision. A strong organisational culture, built on shared values and professionalism, is equally essential for long-term success. The Board noted that achieving its mandate requires deliberate interdepartmental collaboration. However, it was also observed that weak regulatory oversight—marked by lax enforcement and political meddling—has historically contributed to sector decline through mismanagement of state-owned mills and unregulated sugar imports.

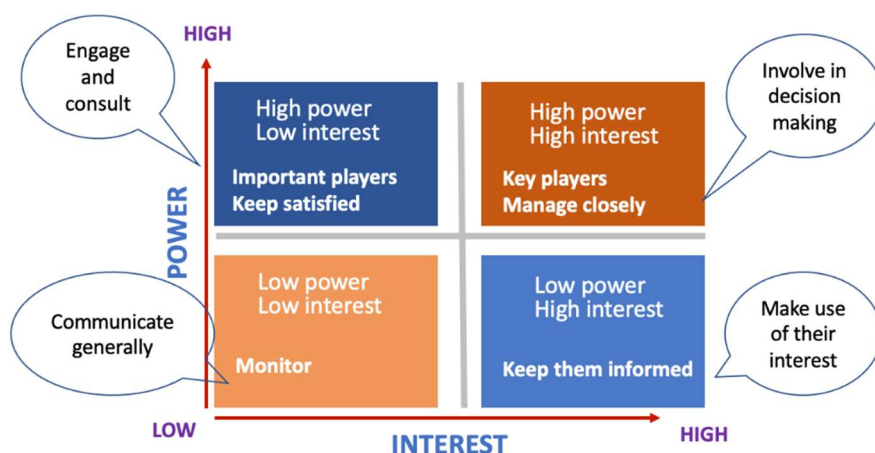
Sustainability of the sector depends on timely legislation that is developed through meaningful stakeholder engagement, backed by readiness to enforce the law. Transparent governance, adherence to clear rules and independent regulatory oversight are critical for building credibility and maintaining discipline across the industry. Resilience also demands geographic diversification, decentralized value addition and support for emerging millers. Empowering farmers with knowledge, access to finance, modern technology and fair pricing mechanisms remains fundamental to sustaining production. In addition, transparent, audited and well-targeted use of development funds directly boosts industry revival and reinforces stakeholder confidence.

The adoption of digital platforms for licensing, audits and farmer registration has been identified as a key enabler of improved oversight and service delivery. Finally, coordinated action through inclusive forums, joint taskforces and public-private partnerships provide a proven pathway to faster, shared progress, ensuring that all stakeholders work together towards a vibrant and sustainable sugar industry.

## 3.2 Stakeholder Analysis

During the strategic planning process, the Board undertook a comprehensive mapping of its key stakeholders. The stakeholders were identified based on the understanding of their interests, expectations, level of influence and the role they play in supporting the Board's mandate. The analysis was guided by the model

depicted in **Figure 3.2.1** and **3.2.2**. **Table 3.2.1** provides results of the stakeholder analysis.



**Figure 3.2.1: Stakeholder Mapping Tool**

**Table 3.2.1: Stakeholder Analysis**

	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the Board
1.	Staff	<ul style="list-style-type: none"> <li>Implement day-to-day operations and policies of the Board.</li> </ul>	<ul style="list-style-type: none"> <li>Clear leadership,</li> <li>Fair HR practices,</li> <li>Resources to deliver,</li> <li>Career advancement, and</li> <li>Recognition.</li> </ul>	<ul style="list-style-type: none"> <li>Staff to be competent, efficient, ethical, and results-oriented in delivering services and programs.</li> <li>Commitment</li> </ul>
2.	Board of Directors	<ul style="list-style-type: none"> <li>Provide strategic leadership, oversight, and policy formulation;</li> <li>Represent sectoral interests.</li> </ul>	<ul style="list-style-type: none"> <li>Accurate reporting,</li> <li>Professional input from staff,</li> <li>Stakeholder responsiveness, and</li> <li>Informed decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic leadership,</li> <li>Effective oversight, policy formulation and governance;</li> <li>Institutional credibility, and</li> <li>Stakeholder trust.</li> </ul>
3.	State Department for Agriculture	<ul style="list-style-type: none"> <li>Provides policy oversight and coordination for the sugar sub-sector.</li> </ul>	<ul style="list-style-type: none"> <li>Timely and accurate data,</li> <li>Sector alignment,</li> <li>Implementation of national government strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Supportive policy environment,</li> <li>Provide budgetary support,</li> <li>Facilitate inter-agency coordination.</li> </ul>
4.	Ministry of Investments, Trade and Industry	<ul style="list-style-type: none"> <li>Promotes investment and trade within agro-industrial value chains.</li> </ul>	<ul style="list-style-type: none"> <li>A viable, investible sugar industry with reliable supply chains and value addition</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of investment opportunities in sugar industry,</li> <li>Providing enabling trade policy for the industry</li> </ul>
5.	Kenya Sugar Research and Training Institute (KESRETI)	<ul style="list-style-type: none"> <li>Conducts research and training for sugarcane production and processing.</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration in research agenda,</li> <li>Funding, and</li> <li>Technology transfer,</li> <li>Knowledge and information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Industry demand-driven research,</li> <li>Improved sugarcane varieties,</li> <li>Extension services support.</li> </ul>
6.	Agricultural Finance Corporation	<ul style="list-style-type: none"> <li>Provides financial services to farmers and agribusinesses.</li> </ul>	<ul style="list-style-type: none"> <li>Bankable projects and repayment assurance.</li> </ul>	<ul style="list-style-type: none"> <li>Development of creditworthy sugarcane farmers and investor models.</li> </ul>



	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the Board
7.	Agricultural Development Corporation	<ul style="list-style-type: none"> <li>Manages large-scale agricultural production</li> </ul>	<ul style="list-style-type: none"> <li>Access to viable sugarcane development projects.</li> </ul>	<ul style="list-style-type: none"> <li>Support in seed-cane production and farmer aggregation.</li> </ul>
8.	Kenya Plant Health Inspectorate Services	<ul style="list-style-type: none"> <li>Regulates seed certification and plant health standards.</li> </ul>	<ul style="list-style-type: none"> <li>Strong quality control systems in sugarcane propagation.</li> </ul>	<ul style="list-style-type: none"> <li>Support in seed-cane certification and pest/disease surveillance.</li> </ul>
9.	Distilleries	<ul style="list-style-type: none"> <li>Produces ethanol and by-products; involved in sugar manufacturing.</li> </ul>	<ul style="list-style-type: none"> <li>Stable and cost-effective supply chain; policy predictability.</li> </ul>	<ul style="list-style-type: none"> <li>Support diversification and market expansion for sugar by-products.</li> </ul>
10.	Kenya Revenue Authority	<ul style="list-style-type: none"> <li>Responsible for tax administration</li> <li>Collecting agency of the SDL</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing</li> <li>Payment of applicable taxes</li> </ul>	<ul style="list-style-type: none"> <li>Support in levy collection</li> </ul>
11.	The National Treasury	<ul style="list-style-type: none"> <li>Oversees fiscal policy, budget allocation, and national economic planning</li> </ul>	<ul style="list-style-type: none"> <li>Accountability in management and use of public funds</li> </ul>	<ul style="list-style-type: none"> <li>Support in industry policy formulation</li> <li>Prompt disbursement of allocated funds</li> </ul>
12.	Kenya Bureau of Standards	<ul style="list-style-type: none"> <li>Development and enforcement of quality standards</li> </ul>	<ul style="list-style-type: none"> <li>Industry compliance with set standards.</li> </ul>	<ul style="list-style-type: none"> <li>Support in standards development and enforcement</li> </ul>
13.	Kenya Trade Network Agency	<ul style="list-style-type: none"> <li>Facilitates trade logistics and information exchange</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing</li> </ul>
14.	Kenya National Bureau of Statistics	<ul style="list-style-type: none"> <li>National data collection, analysis and dissemination</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation in data collection and validation</li> </ul>	<ul style="list-style-type: none"> <li>Technical support in sugar sector statistics and indicators.</li> </ul>
15.	Competition Authority of Kenya	<ul style="list-style-type: none"> <li>Regulates market competition and investigates anti-competitive practices.</li> </ul>	<ul style="list-style-type: none"> <li>Industry compliance with fair trade and competition rules.</li> </ul>	<ul style="list-style-type: none"> <li>Support in curbing unfair practices in the market.</li> </ul>
16.	Parliament	<ul style="list-style-type: none"> <li>Oversight executive arm of the government</li> <li>Legislation</li> <li>Budget approval</li> </ul>	<ul style="list-style-type: none"> <li>Evidence-based policy briefs</li> <li>Industry performance</li> </ul>	<ul style="list-style-type: none"> <li>Supportive legal framework</li> <li>Sufficient budget allocations</li> </ul>
17.	County Governments	<ul style="list-style-type: none"> <li>Support county agricultural development.</li> <li>Responsible for infrastructure in sugar belt zones.</li> <li>Permits sugar millers and trades within the County.</li> </ul>	<ul style="list-style-type: none"> <li>Effective coordination;</li> <li>Shared data</li> <li>Infrastructure investment.</li> <li>Value addition opportunities.</li> <li>Increased farmer incomes.</li> </ul>	<ul style="list-style-type: none"> <li>County support in extension services, road maintenance, land zoning, and stakeholder mobilisation.</li> </ul>
18.	Sugar and jaggery millers	<ul style="list-style-type: none"> <li>Process cane into sugar and by-products.</li> <li>Anchor private sector operations in the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Policy stability.</li> <li>Fair cane pricing.</li> <li>Reliable cane supply.</li> <li>Protection from cheap imports.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with policies, standards and regulations</li> <li>Sustainable cane sourcing.</li> <li>Investment in efficiency.</li> </ul>
19.	Sugar importers/dealers	<ul style="list-style-type: none"> <li>Import sugar into domestic market.</li> </ul>	<ul style="list-style-type: none"> <li>Predictable import rules.</li> <li>Minimal restrictions.</li> <li>Low tariffs.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible, regulated imports that don't undermine local production.</li> <li>Compliance with policies, standards and regulations</li> </ul>
20.	Sugarcane Farmers and Farmer Associations	<ul style="list-style-type: none"> <li>Primary producers of cane.</li> <li>They form the foundation of the sugar value chain.</li> </ul>	<ul style="list-style-type: none"> <li>Timely payment.</li> <li>Fair cane prices.</li> <li>Support in provision of inputs.</li> <li>Access to finance.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent supply of quality cane.</li> <li>Adoption of improved farm practices.</li> </ul>
21.	<ul style="list-style-type: none"> <li>Kenya Sugar Manufacturers Association</li> <li>Kenya Association of Manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Umbrella body for sugar manufacturers.</li> <li>Advocacy and policy engagement.</li> </ul>	<ul style="list-style-type: none"> <li>Representation in decision-making.</li> <li>Regulatory clarity</li> <li>Industry protection.</li> </ul>	<ul style="list-style-type: none"> <li>Industry cooperation.</li> <li>Policy feedback.</li> <li>Data sharing.</li> <li>Compliance with policies, standards and regulations</li> </ul>
22.	Sugar Campaign for Change	<ul style="list-style-type: none"> <li>Civil society platform advocating for farmer rights and sector reforms.</li> </ul>	<ul style="list-style-type: none"> <li>Inclusive governance.</li> <li>Farmer protection.</li> <li>Transparency in trade and pricing.</li> </ul>	<ul style="list-style-type: none"> <li>Constructive engagement.</li> <li>Advocacy based on facts and sector realities.</li> </ul>



	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the Board
23.	Consumer Federation of Kenya	<ul style="list-style-type: none"> <li>Advocates for consumer rights and quality assurance in goods</li> </ul>	<ul style="list-style-type: none"> <li>Fair pricing.</li> <li>Quality assurance</li> <li>Ensure consumers are safe when using sugar.</li> </ul>	<ul style="list-style-type: none"> <li>Public education support</li> <li>Market oversight partnerships.</li> </ul>
24.	Academic Institutions	<ul style="list-style-type: none"> <li>Research, training, and human capital development for the sugar industry.</li> </ul>	<ul style="list-style-type: none"> <li>Research support and funding.</li> <li>Internships.</li> <li>Integration into policy.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence-based policy input.</li> <li>Training of professionals.</li> <li>Applied research.</li> </ul>
25.	Media	<ul style="list-style-type: none"> <li>Information dissemination</li> <li>Public awareness</li> <li>Watchdog of public interest</li> </ul>	<ul style="list-style-type: none"> <li>Proactive communication</li> <li>Open access to information</li> </ul>	<ul style="list-style-type: none"> <li>Balanced and factual reporting.</li> </ul>
26.	The public	<ul style="list-style-type: none"> <li>Consumers of sugar, taxpayers, and voters who are ultimately affected by the industry's performance.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure sugar is available and affordable.</li> <li>Protect consumers from unsafe sugar.</li> <li>Transparency in the industry.</li> </ul>	<ul style="list-style-type: none"> <li>Public support for reforms.</li> <li>Understanding of market realities.</li> </ul>

# CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

## Overview

This Chapter borrows from the situational and stakeholders' analyses to identify and summarise the critical issues affecting the sugar industry and operations of the Board. It also sets out the overarching strategic goals designed to address these challenges and position the Board for success through industry competitiveness, resilience and growth. The Chapter further outlines the Key Result Areas (KRAs) that translate these goals into actionable focus areas, providing a clear framework for formulating objectives, choosing strategies, aligning interventions and measuring progress throughout the implementation of the Strategic Plan.

## 4.1 Strategic Issues

Strategic issues are the important questions, topics and challenges that the Board must respond to, to stay ahead and relevant in the ever-changing operational environment as it pursues its vision and delivers its mission. The interactive workshop group discussions and plenary moderations, along with situation and stakeholder analysis brought out critical issues that the Board needs to strategically respond to. The following issues have been isolated and summarised as requiring strategic responses.

1. Declining farm-level productivity of cane.
2. Sub-optimal factory sugar production.
3. Weak regulatory framework and enforcement leading to non-compliance.
4. Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships.
5. Limited mainstreaming of cross-cutting issues in the industry.
6. Inadequate institutional resources, capacity and governance systems.

### **Strategic Issue 1: Declining farm-level productivity of cane**

Despite growth in acreage under sugarcane cultivation over the past two decades, the sub-sector is faced with declining cane yield which is attributed to outdated agronomic practices, limited access to improved seed cane variety and quality farm inputs, low small-scale holder training and capacity building and underutilisation of modern technologies resulting in high production costs and poor returns.

### **Strategic Issue 2: Sub-optimal factory sugar production**

At factory level, inefficiencies result in low sugar extraction from cane, sub-optimal factory performance and overall high cost of production. The GoK has strategically intervened to address this issue focusing on the public millers by leasing them out to private millers, with hopes that private millers will formulate strategies and inject more capital to boost production and efficiency in these mills. However, sub-optimal production permeates the industry at large. Therefore, the Board must explore strategic interventions to change the tides and forestall weak industrial performance and economic losses occasioned by inefficient operations.

### **Strategic Issue 3: Weak regulatory framework and enforcement leading to non-compliance**

An effective regulatory framework is the backbone of a well-functioning and competitive sugar industry. When regulatory instruments are weak, outdated or poorly enforced, it results in widespread non-compliance, disorder in the market and erosion of confidence among key stakeholders. The industry is faced with insufficient compliance levels with existing regulations and policies. The outcome includes; undermined sector governance and order, illicit trade and revenue leakages, erosion of farmer and investor confidence, compromised product quality and consumer safety, and limited policy implementation and sector reforms. Ultimately, the insufficient compliance level undermines the ability for Kenya's sugar industry to be regionally and globally competitive.

#### **Strategic Issue 4: Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships**

##### **Linkages between research, innovation, diversification and technological adoption in the industry**

The sugar industry grapples with insufficient investment in research and development, as well as low uptake of innovations and digital technologies. Furthermore, there is weak integration of research outputs into practice hence limiting research benefits from trickling down to farmers. Consequently, this situation characterizes the limited modernised farming among small-scale holders, limited industry diversification and value addition along the value chain.

##### **Strategic linkages, partnerships and collaborations with industry stakeholders and the public**

The industry also faces significant challenges due to fragmented and poorly coordinated linkages between industry key players which include farmers, millers, regulators, research institutions, county governments, civil society and the general public. This weak collaboration linkage impedes information sharing, joint planning and effective implementation of industry-wide interventions and uptake of present opportunities.

#### **Strategic Issue 5: Limited mainstreaming of cross-cutting issues in the industry**

Long term sustainability of the industry requires a delicate balance between economic viability with environmental stewardship and social equity. While Kenya's sugar industry continues to expand, there is a persistent gap in effectively integrating critical, sector-wide concerns into industry policies, programs and operations. These concerns include gender equity, youth inclusion, health and social issues, industry waste management, environmental sustainability and climate change adaptation. These cross-cutting issues require both concerted and strategic interventions for a vibrant and sustainable sugar industry.

#### **Strategic Issue 6: Inadequate institutional resources, capacity and governance systems**

##### **Governance and administration capacity**

The Board is constrained by inadequate policies, procedures and operational manuals. Over the period, it has occasionally succumbed to political patronage

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that tilt its regulatory mandate. The Board is also faced with resource inadequacies such as limited human capital, sub-optimal staff productivity, financial constraints and gaps in automation of internal business processes. These challenges collectively affect the Board's ability to effectively discharge its mandate in regulating, promoting and developing sugar industry in Kenya.

### **Financial resources and weak mobilisation strategies**

Inadequate budgetary allocation over the years and limited resource mobilisation has occasioned limited intervention by the Board in improving road networks in sugar belt zones, funding research and innovation in the industry, supporting farmers and millers and availing adequate internal tools and systems for its operational requirements. This has led to performance gaps, slow growth in the industry and limited upscaling of innovations.

## **4.2 Strategic Goals**

Strategic goals define what the Board ultimately seeks to achieve in line with its mandate, vision and mission. During this strategic planning period, the Board will implement both strategic and operational interventions in addressing the forestated fundamental issues to actualise the following six strategic goals:

- Goal 1:** Increased production and productivity of sugarcane;
- Goal 2:** Enhanced efficiency in sugar production;
- Goal 3:** Strengthened regulatory framework in the sugar industry;
- Goal 4:** Enhanced collaboration in research, partnerships and diversification for industry competitiveness;
- Goal 5:** A sustainable sugar industry; and
- Goal 6:** A well-resourced, competent and accountable Board.

## **4.3 Key Result Areas**

Success of the Board's strategic model is anchored on the following critical focus areas upon which its efforts and resources will be channelled and performance evaluated. Each Key Result Area (KRA) outlines what needs to be done and assessed to ensure success of the Strategic Plan.

<b>KRA 1:</b>	Sugarcane productivity
<b>KRA 2:</b>	Sugar production
<b>KRA 3:</b>	Industry regulation
<b>KRA 4:</b>	Research, partnerships and industry diversification
<b>KRA 5:</b>	Industry sustainability
<b>KRA 6:</b>	Institutional development

### **KRA 1: Sugarcane Productivity**

Sugarcane productivity refers to the combined improvement in sugarcane yield per hectare and expansion of the area under cultivation, achieved through adoption of high-yielding cane varieties, enhanced agronomic practices, efficient input use and supportive extension services. It reflects the overall performance and efficiency of the cane production subsystem, which directly determines the supply of raw materials to sugar mills and the competitiveness of the sugar industry.

The farmer occupies a primary and foundational position in the sugar industry value chain. As the producer of sugarcane, which is the core raw material for sugar and related products, the farmer's performance directly determines the efficiency, productivity and sustainability of the entire industry.

The Board's interventions are designed to boost the overall farm yield and expand the acreage under sugarcane cultivation in the country.

Three critical performance indicators are:

- a) the average total cane produced per unit measure of the land;
- b) the total area under cultivation;
- c) the total quantity of sugarcane harvested within a given period of time;
- d) number of sugarcane farmers.

### **KRA 2: Sugar Production**

Sugar production is the process of transforming sugarcane into refined sugar and related by-products through industrial processing. It represents the core output of the sugar value chain and serves as a key indicator of the industry's efficiency, competitiveness and contribution to national socio-economic development. It encompasses all activities involved in transforming harvested sugarcane into

consumable sugar including milling, processing, refining, packaging and distribution.

Optimized sugar production ensures that the industry can aptly satisfy the market demand, effectively contribute to the national economy and maintain its regional and global competitiveness with similar commodities produced elsewhere. The Board's strategic interventions will focus on promoting operational efficiencies to grow the industry from a net importer to a net exporter of sugar and its by-products.

The important performance indicators under this KRA include:

- a) total sugar produced in metric tonnes – the total volume of sugar manufactured by mills over a given period;
- b) rate of factory capacity utilisation - that is the extent to which production facilities operate at full potential;
- c) recovery rate (percentage of sugar from cane) – the efficiency of converting sugarcane into sugar; and
- d) production cost per tonne – this is a cost-efficiency measure influencing industry competitiveness.

### **KRA 3: Industry Regulation**

Industry regulation underpins the stability, competitiveness, and sustainability of the entire sugar value chain. A well-regulated industry will sustain fair competition, protect farmers from any forms of exploitation and curb occasional illegal imports that undermine local production. Regulation will also enforce quality, environmental and safety standards, thereby safeguarding consumer interests and promoting compliance with both national and regional trade requirements.

By providing clear rules, predictable policies and consistent enforcement, the Board will create an enabling environment that attracts investment, improves efficiency and supports innovation within the sector. Besides being a governance responsibility, effective industry regulation is also a catalyst for achieving self-sufficiency, value addition and long-term resilience in Kenya's sugar industry.

Performance in this area will be measured by the following indicators:

- a) number of sugar sector laws/regulations reviewed, updated and harmonised;
- b) level of industry compliance with regulatory requirements; and

- c) stakeholder confidence index in industry governance.

#### **KRA 4: Research, Partnerships and Industry Diversification**

The board will provide credible industry data for informed decision-making, strive to achieve a diversified sugar industry driven by research, innovation and strategic partnerships, and improve institutional governance, resilience and performance of sugarcane farmers' organisations.

Key performance indicators include:

- a) proportion of policy decisions informed by Board data reports;
- b) number of stakeholders accessing and utilising industry data;
- c) number of new product lines;
- d) percentage increase in uptake of modern technologies and innovations among farmers and millers; and
- e) percentage of registered farmers' organisations implementing the Board's outlined guidelines and manuals.

#### **KRA 5: Industry Sustainability**

The Board underscores the need to integrate a number of cross-cutting issues that will create an equilibrium between economic viability with environmental stewardship and social equity in the sugar industry value chain. In this regard, the Board will support programs to realise an environmentally responsible, socially inclusive and well-governed sugar industry value chain. The Board's interventions should align the industry to comply with Environmental, Social and Governance (ESG) standards, and facilitate economically viable value chain financing.

Key performance indicators for this KRA include:

- f) percentage of sugar mills compliant with the National Environment Management Authority (NEMA) environmental and ESG standards;
- g) level of adoption of climate-smart or sustainable farming practices by farmers;
- h) proportion of smallholder farmers accessing credit facilities; and
- i) proportion of women and youth participating in sugar industry programs.



## KRA 6: Institutional Development

A strong, well-structured, resourced and capacitated Board is necessary if transformative changes are to be realised in the sugar industry. The Board will build and sustain its internal capacity through investment in adequate, skilled and competent human capital, modern ICT infrastructure and efficient processes that will enable it to execute its mandate with professionalism, transparency and accountability. Institutional development will also foster organisational resilience by strengthening governance structures, improving stakeholder engagement and leveraging on ICT to enhance data-driven decision-making.

Having been re-established recently under the Sugar Act, 2024, the Board will deploy appropriate measures to achieve institutional growth, restore stakeholder confidence, ensure it is financially sustainable and position itself as a credible regulator that drives reforms, innovation and competitiveness in the sugar industry. Performance outcomes will be tracked based on the following Key Performance Indicators (KPIs):

- a) productivity index;
- b) level of digital integration of the Board's processes;
- c) Board's audit and compliance rating;
- d) amount of mobilised revenues; and
- e) employee engagement index.

**Table 4.3.1: Strategic Issues, Goals and KRAs**

STRATEGIC ISSUES	STRATEGIC GOALS	KEY RESULT AREAS
1. Declining farm-level productivity of cane	Increased production and productivity of sugarcane	Sugarcane productivity
2. Sub-optimal factory sugar production	Enhanced efficiency in sugar production	Sugar production
3. Weak regulatory framework and enforcement leading to non-compliance	Strengthened regulatory framework in the sugar industry	Industry regulation
4. Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships	Enhanced collaboration in research, partnerships and diversification for industry competitiveness	Research, partnerships and industry diversification
5. Mainstreaming of cross-cutting issues in the industry	A sustainable sugar industry	Industry sustainability
6. Inadequate institutional resources, capacity and governance systems	A well-resourced, competent and accountable Board	Institutional development

# CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES

## Overview

This Chapter presents the strategic objectives that define the desired outcomes of the Strategic Plan and the strategies that will be employed to achieve them. Each objective is supported by targeted strategies that provide clear pathways for implementation, ensuring that the Board can deliver its mandate and functions while driving industry transformation, competitiveness and long-term sustainability.

### 5.1 Strategic Objectives

During this planning period, the Board will pursue the following eight (8) strategic objectives. These objectives have been developed under the framework of Balanced Score Card perspectives, are within the legal mandate of the Board, and will help the Board in actualising the strategic goals.

**Strategic Objective 1:** To increase average national sugarcane yield from 75 to 85 TCH by 2027.

**Strategic Objective 2:** To promote efficiency in sugar production.

**Strategic Objective 3:** To create an enabling legal, regulatory and compliance framework for the sugar industry.

**Strategic Objective 4:** To provide credible industry data for decision-making.

**Strategic Objective 5:** To promote strategic partnerships in research and innovation for industry diversification.

**Strategic Objective 6:** To strengthen sugarcane farmer organisations for operational efficiency and sustainability.

**Strategic Objective 7:** To integrate sustainable practices in the sugar industry value chain.

**Strategic Objective 8:** To enhance institutional capacity for effective service delivery and operational excellence.

**Table 5.1.1** outlines the outcomes and outcome projections for each of the strategic objective.

**Table 5.1.1: Outcomes Annual Projections**

No.	Strategic Objective	Outcome	Outcome Indicator	Baseline	Outcome Projections		
				2024/25	2025/26	2026/27	2027/28
KRA 1: Sugarcane Productivity							
1.	To increase average national sugarcane yield from 75 to 85 TCH by 2027	Improved cane production and yield per unit of land.	Crop yield (TCH)	75	78	82.5	85
			Crop production (MT)	9,700,000	Baseline +5%	Baseline +10%	Baseline +15%
			Area under crop (Ha)	252,508	Baseline +5%	Baseline +10%	Baseline +15%
			No. of sugarcane farmers	350,000	Baseline +2.5%	Baseline +5%	Baseline +10%
KRA 2: Sugar Production							
2.	To promote efficiency in sugar production	Increased national sugar output	Sugar production (MT)	832,185	Baseline +5%	Baseline +10%	Baseline +15%
			Average milling recovery rate (%)	10.90	10	9.8	9.5
			Factory capacity utilisation (%)	56%	Baseline +5%	Baseline +10%	Baseline +15%
KRA 3: Industry Regulation							
3.	To create an enabling legal, regulatory and compliance framework for the sugar industry	Fair, orderly and competitive industry.	Proportion of sugar sector laws/regulations reviewed, updated and harmonised	N/A	50%	75%	100%
			Stakeholder confidence index in industry governance	N/A	Baseline	Baseline +15%	Baseline +30%
		Quality, safe and fairly priced products.	Level of industry compliance with regulatory requirements (%)	N/A	100%	100%	100%
KRA 4: Research, Partnerships and Industry Diversification							
4.	To provide credible industry data for decision-making	Increased evidence-based policy decisions in the sugar industry	% of policy decisions informed by Board data reports	N/A	100%	100%	100%
			Proportion of stakeholders accessing and utilizing industry data	N/A	50%	75%	100%
5.	To promote strategic partnerships in research and innovation for industry diversification	Enhanced collaboration and innovation ecosystem that drives research uptake, technology adoption, and diversification.	No. of new product lines	N/A	1	1	1
			% increase in uptake of modern technologies and innovations among farmers and millers	N/A	1	1	1

No.	Strategic Objective	Outcome	Outcome Indicator	Bassline	Outcome Projections		
				2024/25	2025/26	2026/27	2027/28
6.	To strengthen sugarcane farmer organisations for operational efficiency and sustainability	Strengthened, efficient, and sustainable farmers' organisations	% of registered farmers' organisations implementing the guidelines	N/A	50%	75%	100%
KRA 5: Industry Sustainability							
7.	To integrate sustainable practices in the sugar industry value chain	Improved integration of cross-cutting issues in the industry	Average industry ESG compliance score (%)	N/A	50%	60%	80%
			Proportion of farmers adopting climate-smart or sustainable farming practices	N/A	Baseline	Baseline + 25%	Baseline + 50%
			Proportion farmers accessing credit facilities	N/A	5%	10%	15%
			Proportion of women and youth farmers.	N/A	Baseline	Baseline + 5%	Baseline +15%
KRA 6: Institutional Development							
8.	To enhance institutional capacity for effective service delivery and operational excellence	Enhanced service delivery and stakeholder's satisfaction	Productivity index	N/A	75%	80%	85%
			Employee engagement index	N/A	Baseline	Baseline +3%	Baseline +5%
			Level of digital integration of the Board's processes	50%	60%	70%	80%
			Audit and compliance rating	N/A	100%	100%	100%
			Proportion of revenues mobilised against SP budget	N/A	85%	90%	95%

## 5.2 Strategic Choices

**Table 5.2.1** outlines strategic choices that the Board has carefully selected in order to deliver its strategic objectives and achieve the desired outcomes.

**Table 5.2.1: Strategic Objectives and Strategies**

KRA	Strategic Objective	Strategies
<b>1. Sugarcane Productivity</b>	1.1 To increase average national sugarcane yield from 75 to 85 TCH by 2027	1.1.1 Rehabilitating soils in the sugarcane growing zones 1.1.2 Promoting sustainable land use practices 1.1.3 Facilitating access to improved seed cane varieties 1.1.4 Promoting Good Agricultural Practices (GAPs) 1.1.5 Leveraging geo-spatial intelligence to drive precision agriculture
<b>2. Sugar Production</b>	2.1 To promote efficiency in sugar production	2.1.1 Operationalising the Quality-Based Cane Payment System (QBCPS)
<b>3. Industry Regulation</b>	3.1 To create an enabling legal, regulatory and compliance framework for the sugar industry	3.1.1 Strengthening industry policies and regulations 3.1.2 Establishing and enforcing industry standards and codes of practice 3.1.3 Enhancing inspection, surveillance and monitoring mechanisms.
<b>4. Research, partnerships and industry diversification</b>	4.1 To provide credible industry data for decision making	4.1.1 Monitoring local and global market trends and providing timely information to stakeholders 4.1.2 Promoting adoption of new technologies in sugarcane mapping and yield prediction
	4.2 To promote strategic partnerships in research and innovation for industry diversification	4.2.1 Promoting value addition and diversification 4.2.2 Promoting trade and investment in the sugar industry value chain 4.2.3 Promoting research and innovations in the sugar industry 4.2.4 Supporting low-cost innovations for smallholder farmers
	4.3 To strengthen sugarcane farmer organisations for operational efficiency and sustainability	4.3.1 Strengthening the institutional capacity and governance of sugarcane farmer organisations.
<b>5. Industry Sustainability</b>	5.1 To integrate sustainable practices in the sugar industry value chain	5.1.1 Mainstreaming ESG compliance and sustainability in sugar industry 5.1.2 Facilitating value chain financing
<b>6. Institutional Development</b>	6.1 To enhance institutional capacity for effective service delivery and operational excellence	6.1.1 Enhancing human capital 6.1.2 Promoting a conducive work environment 6.1.3 Fostering knowledge management culture 6.1.4 Operationalising resource mobilisation 6.1.5 Strengthening the Board's corporate governance 6.1.6 Strengthening corporate planning, monitoring and evaluation 6.1.7 Automating business processes

# CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

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## Overview

This Chapter outlines the structures, processes and responsibilities necessary to translate the Plan's strategic objectives into tangible results. It defines the roles of the Board's leadership and departments in driving execution, establishes mechanisms for resource allocation and sets clear timelines and accountability measures. It also incorporates risk management framework that will provide a structured approach in identifying, assessing and responding to potential threats and uncertainties that could hinder the achievement of the strategic objectives.

## 6.1 Implementation Plan

This implementation plan outlines the structured approach through which the strategic objectives of the Board will be translated into actionable initiatives and measurable outcomes. It serves as a roadmap that bridges the gap between strategy formulation and execution, ensuring that all staff are aligned with the overarching corporate goals of the Board. By defining clear responsibilities, timelines, resource allocations and performance indicators, the implementation plan is critical in driving accountability, operational efficiency and strategic success.

### 6.1.1 Action Plan

A detailed implementation matrix is provided in **Appendix I**. It captures key activities that will be undertaken, the expected outputs, key performance indicators and targets. Using activity-based costing, an estimate has been provided in the implementation matrix. In addition, responsibility centres have been mapped for purposes of accountability. Whereas the responsibility of implementing this strategy rests with the Chief Executive Officer, each functional head and staff have distinctive roles to play towards actualising the Board's goals.

### 6.1.2 Annual Work Plan and Budget

The Annual Work Plan (AWP) and Budget outlines the specific activities, timelines and financial resources required to implement the Strategic Plan over a defined fiscal year, thus breaking the Strategic Plan into yearly milestones. It serves as a practical tool for translating the strategic priorities into actionable tasks, ensuring that each initiative is adequately resourced and time bound. The Board has outlined a structured framework for planning, coordinating and monitoring progress. By linking strategy to resource allocation and day-to-day operations, the work plan and budget play a crucial role in driving accountability, performance tracking and informed decision-making. **Appendix II** provides framework for Annual Work Plan and Budget for the first fiscal year (2025/26).

### 6.1.3 Performance Contracting

The Board shall use performance contracting as a tool for aligning its corporate goals with measurable targets so that each directorate, department and unit remains accountable for delivering agreed outcomes within the specified timeframe. The Performance Contracts (PCs) will be designed to translate broader goals of the Strategic Plan into specific, actionable commitments for individual officers, teams and respective functions. The Board intends to use the PCs to enhance its efficiency, effectiveness and transparency in executing its legal mandate and functions, thereby fostering a culture of accountability and continuous improvement.

Each year, the Board's leadership will develop PCs using Annual Work Plans derived from the Strategic Plan implementation matrix as the operational backbone. The Board will ensure that every activity carried out within the year is traceable back to a strategic objective, enabling seamless monitoring, evaluation and reporting. The Finance and Planning Directorate, and Human Resource and Administration Directorate will facilitate the process of developing the AWP and cascading the same to individual staff PCs respectively.

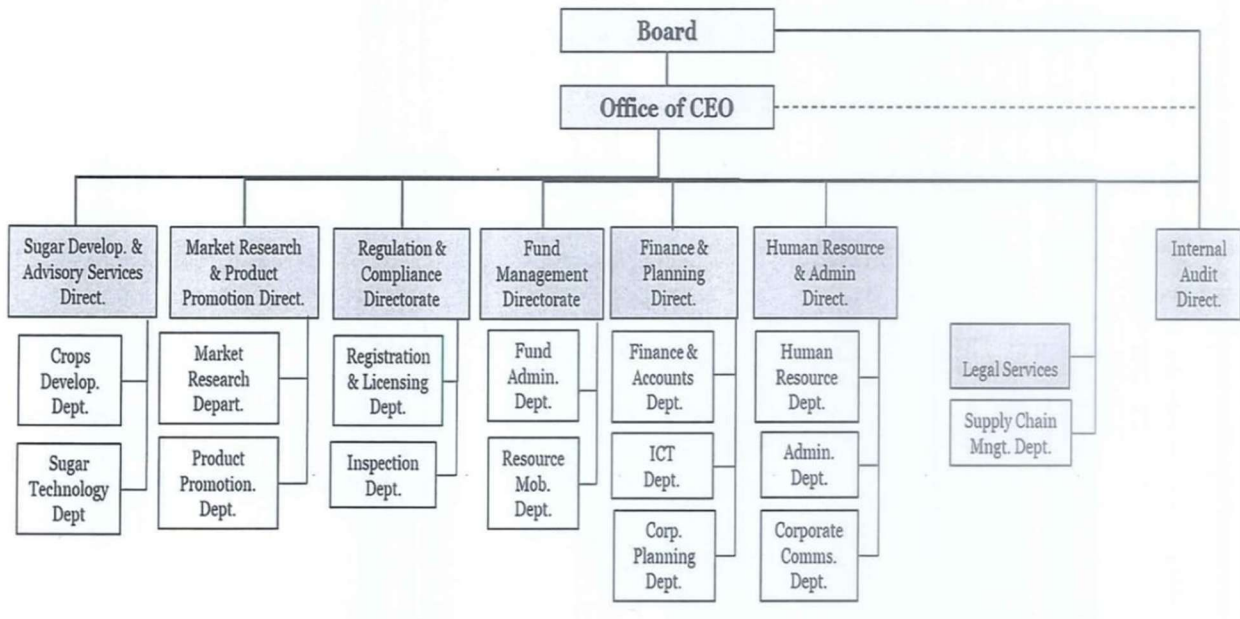
## 6.2 Coordination Framework

Successful implementation of the Board's Strategic Plan will require effective inter-directorate and inter-departmental collaboration with clear communication channels as described in the following institutional framework, human capital, leadership, systems and procedures.

### 6.2.1 Institutional Framework

Implementation of the Board's Strategic Plan is anchored on a defined institutional arrangement that ensures effective governance, operational oversight and strategic alignment across the Board. The governance structure is based on the Sugar Act 2024 and approved organisational structure which is described hereafter and illustrated in **Fig 6.2.1**:

- ❖ Board of Directors;
- ❖ Chief Executive Officer;
- ❖ Heads of Directorates; and
- ❖ Heads of Departments.



**Figure 6.2.1: Organogram**



## **The functions of the directorates and departments are as follows:**

### **1. Regulation and Compliance Directorate (R&C)**

The R&C Directorate is mandated to develop regulations, standards, codes of practice, and provide for registration, licensing and issuance of certificates. It is also responsible for surveillance and inspections for compliance purposes.

### **2. Sugar Development and Advisory Services Directorate (SDAS)**

The SDAS Directorate is responsible for crop development, formulation of research proposals, projection of availability of raw materials, public education, awareness creation, infrastructure support and promotion of mechanisation.

### **3. Market Research and Product Promotion Directorate (MRPP)**

The MRPP Directorate is responsible for undertaking trade advisory services on the sugar value chain and conducting market research on sugar crops, sugar and by-products.

The MRPP Directorate will spearhead digital transformation within the sugar industry, identifying opportunities for digitalisation of supply chains (traceability), adoption of precision agriculture (remote sensing, field sensors) and development of digital platforms for market research, product promotion and farmer engagement.

### **4. Fund Management Directorate (FM)**

The FM Directorate is responsible for administration of the Sugar Development Fund (SDF) and resource mobilisation.

### **5. Human Resource and Administration Directorate (HR&A)**

The HR&A Directorate is responsible for management of the human resource and administration functions of the Board.

### **6. Finance and Planning Directorate (F&P)**

The Finance and Planning Directorate focuses on strategic financial management and decision-making within the Board. It deals with the overall financial health of the Board including planning, analysis and control of financial resources as per the Public Finance Management Act 2012 and Regulations 2015.

## **7. Internal Audit and Risk Assurance Directorate (IARA)**

IARA Directorate is responsible for providing assurance on the Board's internal control systems, risk management framework and the governance structure.

## **8. Legal Services Department**

The Legal Services Department provides secretariat and legal services to the BoD and the Sugar Board as an entity.

## **9. Supply Chain Management Department (SCM)**

The Department is responsible for procurement of goods, works and services, inventory management and asset disposal.

## **10. Corporate Planning Department**

The Department provides an enabling platform for formulation, coordination, implementation, management and reporting of strategy, planning, policy, performance contracting, risk management coordination and quality management.

## **11. Corporate Services Department**

The department is responsible for overall coordination of corporate communication functions of the Board.

## **12. Information and Communication Technology Department (ICT)**

The Department is responsible for overall coordination of ICT functions and promotion of innovative digital economy towards online corporate service delivery of the Board.

The Board has identified relevant external and internal policies, rules, regulations and frameworks that will improve its effectiveness in delivering its mandate. These policies, rules, regulations and frameworks include:

- ❖ *Sugar regulations and policies;*
- ❖ *Industry standards and codes of practice;*
- ❖ *Data related policies;*
- ❖ *Out-grower operations manual;*
- ❖ *Public relations management framework;*
- ❖ *Finance Policy;*
- ❖ *Procurement Guidelines;*
- ❖ *Internal audit and risk assurance framework;*

- ❖ *Industry Environmental, Social and Governance (ESG) scorecards;*
- ❖ *Various Human Resource (HR) instruments;*
- ❖ *Productivity and performance measurement framework;*
- ❖ *Knowledge Management Framework (KMF);*
- ❖ *ICT governance framework; and*
- ❖ *Enterprise Risk Management (ERM) framework.*

Once developed and implemented, the above policies, rules, regulations and frameworks will be subjected to periodical reviews to ensure they remain relevant and effective.

## 6.2.2 Staff Establishment, Skills Set and Competence Development

The Board has a staff complement of 126 against an optimal establishment of 239, thus creating a variance of 113 as illustrated in **Table 6.2.1**. The Board will strengthen its human resource capacity through recruitment of more personnel, continuous professional development, succession planning and a clear performance appraisal system linked to strategic outputs and outcomes.

**Table 6.2.1: Staff Establishment**

<b>Cadre</b>	<b>Approved Establishment (A)</b>	<b>Optimal Staffing Levels (B)</b>	<b>In-Post (C)</b>	<b>Variance D = B-C</b>
Executive Officer	1	1	1	0
Directors	8	8	8	0
Deputy Directors	17	18	15	3
Assistant Directors	16	16	13	3
Principal Officers	67	70	40	30
Senior Officers	45	45	22	23
Office Administrators/Technologist I	16	16	0	16
Officer II/Senior Drivers	18	18	6	12
Senior Office Assistants/Officer III	17	17	1	16
Drivers	19	24	17	7
Office Assistant III	6	6	3	3
<b>Total</b>	<b>230</b>	<b>239</b>	<b>126</b>	<b>113</b>

Within the next two years of the Strategic Plan implementation, the Board will undertake the following initiatives in relation to staff establishment and competency development as captured in **Table 6.2.2:**

- ❖ Workload analysis to determine required human capital;
- ❖ Undertake skill gap analysis, training needs analysis and implement appropriate skills set improvement;
- ❖ Initiate culture surveys and design and implement culture change program in response to the culture survey.

**Table 6.2.2: Skill Set and Competence Development**

Cadre	Skills Set	Skills Gap	Competency Development
<b>Top management</b>	<ul style="list-style-type: none"> <li>Leadership skills</li> <li>Strategic and innovative thinking</li> <li>Business and financial skills</li> <li>Managerial skills</li> <li>Conceptual skills</li> <li>Communication and influence skills</li> <li>Conflict resolution</li> <li>People and relationship skills (emotional intelligence and stakeholder management)</li> <li>Decision-making and execution skills.</li> </ul>	<ul style="list-style-type: none"> <li>Conflict management skills</li> <li>People and relationship skills</li> <li>Communication and influence skills</li> <li>Business and financial skills</li> <li>Leadership skills</li> <li>Decision-making and execution skills</li> </ul>	<b>Build capacity in the following managerial competencies:</b> <ul style="list-style-type: none"> <li>Leadership;</li> <li>People and interpersonal competencies;</li> <li>Operational and execution competencies;</li> <li>Financial and analytical competencies;</li> <li>personal effectiveness competencies.</li> </ul>
<b>Administrators</b>	<ul style="list-style-type: none"> <li>Leadership skills</li> <li>Strategic and innovative thinking skills</li> <li>Managerial skills</li> <li>Communication skills</li> <li>Problem solving and conflict resolution</li> <li>Decision making skills</li> <li>Organisational and planning skills</li> <li>Proficiency in ICT</li> <li>Interpersonal skills</li> <li>Financial and resource management skills</li> </ul>	<ul style="list-style-type: none"> <li>Crisis management</li> <li>Leadership skills</li> <li>Problem solving and conflict resolution</li> <li>Financial and resource management skills</li> <li>Decision making skills</li> <li>Strategic and innovative thinking skills</li> <li>Proficiency in ICT</li> </ul>	<b>Build capacity in the following administrative competencies</b> <ul style="list-style-type: none"> <li>Crisis management</li> <li>Leadership</li> <li>Problem solving and conflict resolution</li> <li>Communication</li> <li>Proficiency in ICT</li> <li>Financial and resource management</li> </ul>
<b>Credit management officers</b>	<ul style="list-style-type: none"> <li>Strategic thinking</li> <li>Resource mobilisation</li> <li>Integrated planning monitoring and evaluation</li> <li>Investment appraisal and risk analysis</li> <li>Debt management</li> <li>Financial and analytical skills</li> <li>Communication and negotiation skills</li> <li>Relationship management skills</li> <li>Organisational skills</li> <li>Project management</li> <li>Business and industry knowledge</li> <li>Transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>Investment appraisal and risk analysis</li> <li>Strategic thinking</li> <li>Loan and debt sustainability analysis</li> <li>Innovative planning</li> <li>Project management</li> <li>Negotiation skills</li> <li>Relationship management skills</li> </ul>	<b>Build capacity in the following core competencies:</b> <ul style="list-style-type: none"> <li>Technical and financial competencies</li> <li>Analytical and problem solving</li> <li>Communication and relationship competencies</li> <li>Teamwork</li> <li>Accountability</li> <li>Proficiency in ICT</li> <li>Project monitoring, evaluation, and reporting.</li> <li>Leadership</li> <li>Managing donor funded projects</li> <li>Innovative planning and strategic thinking</li> </ul>

Cadre	Skills Set	Skills Gap	Competency Development
<b>Market research and statistical officers</b>	<ul style="list-style-type: none"> <li>Macro-economic forecasting and modelling</li> <li>Research and analytical skills</li> <li>Strategic thinking</li> <li>Technical and digital skills</li> <li>Business and industry knowledge</li> <li>Communication and interpersonal skills</li> <li>Organisational and project management skills</li> <li>Negotiation skills</li> <li>Financial management</li> </ul>	<ul style="list-style-type: none"> <li>Advanced data analysis and interpretation</li> <li>Digital online research</li> <li>Presentation skills</li> <li>Industry and market knowledge</li> <li>Project and stakeholder management</li> <li>Innovativeness and creativity</li> <li>Data privacy awareness</li> </ul>	<ul style="list-style-type: none"> <li>Digital transformation leadership</li> <li>Data protection</li> <li>Technical and analytical competencies</li> <li>Research and business competencies</li> <li>Communication and negotiation</li> <li>Project and time management</li> </ul>
<b>HRM Officers</b>	<ul style="list-style-type: none"> <li>Confidentiality</li> <li>Data and information management</li> <li>Problem solving and conflict resolution</li> <li>Communication skills</li> <li>Employee relations and engagement skills</li> <li>Records management skills</li> <li>Policy and legal compliance skills</li> <li>Organisational development</li> <li>Relationship management skills</li> <li>Performance management</li> <li>Technology and digital skills</li> <li>Organisational culture change</li> </ul>	<ul style="list-style-type: none"> <li>Data management and analytics</li> <li>Talent development and succession planning</li> <li>Communication skills</li> <li>Technology proficiency</li> <li>Labour law and compliance depth</li> <li>Employee engagement</li> <li>Performance management skills</li> <li>Conflict resolution</li> <li>Digital and remote HR skills</li> <li>Managing diversity</li> </ul>	<ul style="list-style-type: none"> <li>Data and information management</li> <li>Problem solving and conflict resolution</li> <li>Leadership development</li> <li>Managing diversity</li> <li>Regulatory compliance</li> <li>Succession planning</li> <li>Digital competency (HRMIS)</li> <li>Culture change</li> </ul>
<b>Accountants</b>	<ul style="list-style-type: none"> <li>Financial management and proficiency</li> <li>Technological proficiency</li> <li>Client service and focus</li> <li>Teamwork</li> <li>Time management</li> <li>Attention to detail</li> <li>Communication skills</li> <li>Risk management</li> <li>Interpersonal skills</li> </ul>	<ul style="list-style-type: none"> <li>Technological proficiency</li> <li>Communication skills</li> <li>Financial management</li> <li>Risk management</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Financial reporting</li> <li>Taxation laws</li> <li>Good analytical and communication skills</li> <li>Corruption and fraud detection</li> <li>Financial analysis</li> <li>Regulatory compliance</li> <li>Proficiency in creating managing and monitoring budgets</li> </ul>
<b>Auditors</b>	<ul style="list-style-type: none"> <li>Financial management and proficiency</li> <li>Technological proficiency</li> <li>Client service and focus</li> <li>Team work</li> <li>Time management</li> <li>Attention to detail</li> <li>Communication skills</li> <li>Risk management</li> <li>Interpersonal skills</li> </ul>	<ul style="list-style-type: none"> <li>Technological proficiency</li> <li>Communication skills</li> <li>Financial management</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Auditing</li> <li>Financial reporting</li> <li>Taxation</li> </ul>
<b>Supply Chain Management Officers</b>	<ul style="list-style-type: none"> <li>Financial management and proficiency</li> <li>Ethical practice</li> <li>Negotiation skills</li> <li>Decision-making and problem-solving skills</li> <li>Technological proficiency</li> <li>Project management</li> <li>Risk management</li> <li>Client service and focus</li> <li>Collaboration and teamwork</li> <li>Communication skills</li> <li>Relationship management skills</li> </ul>	<ul style="list-style-type: none"> <li>Technological proficiency</li> <li>Financial management and proficiency</li> <li>Project management</li> <li>Risk management</li> <li>Negotiation skills</li> </ul>	<ul style="list-style-type: none"> <li>Financial management and proficiency</li> <li>Ethical practice</li> <li>Decision-making and problem-solving skills</li> <li>Project management</li> <li>Risk management</li> <li>Time management</li> <li>Attention to detail</li> <li>Communication skills</li> <li>Negotiation skills</li> <li>Supply chain knowledge</li> <li>IFMIS course on data management</li> <li>Leadership, adaptability skills</li> <li>Regulatory compliance</li> </ul>

Cadre	Skills Set	Skills Gap	Competency Development
<b>Office administrators</b>	<ul style="list-style-type: none"> <li>• Organisational and planning skills</li> <li>• Technical and office software skills</li> <li>• Financial and administrative skills</li> <li>• Problem solving and decision making</li> <li>• Supervisory skills</li> <li>• Communication skills</li> <li>• Customer service</li> <li>• Relationship management skills</li> <li>• Record-keeping</li> <li>• Ethical practice</li> </ul>	<ul style="list-style-type: none"> <li>• Problem solving and decision making</li> <li>• Relationship management</li> <li>• Communication skills</li> <li>• Financial and administrative skills</li> <li>• Record-keeping</li> <li>• Supervisory skills</li> </ul>	<ul style="list-style-type: none"> <li>• Build capacity in the following competencies:</li> <li>• Communication skills</li> <li>• Record keeping</li> <li>• Ethical practice</li> <li>• Supervisory</li> <li>• Financial management</li> <li>• Relationship management</li> </ul>
<b>Drivers</b>	<ul style="list-style-type: none"> <li>• Vehicle maintenance and care skills</li> <li>• Road safety and compliance skills</li> <li>• Customer service</li> <li>• Communication and interpersonal skills</li> <li>• Time management and reliability skills</li> <li>• Travel management</li> <li>• Record keeping</li> </ul>	<ul style="list-style-type: none"> <li>• Defensive and advanced driving skills</li> <li>• Vehicle maintenance knowledge</li> <li>• Road safety and emergency response</li> <li>• Communication and customer service</li> <li>• Administrative and record-keeping skills</li> <li>• Time management</li> <li>• Interpersonal skills</li> <li>• Digital literacy</li> </ul>	<ul style="list-style-type: none"> <li>• Build capacity in the following competencies:</li> <li>• Communication and customer service</li> <li>• Time management</li> <li>• Interpersonal skills</li> <li>• Technical and functional; competencies</li> <li>• Safety and emergency competencies</li> </ul>
<b>Records management officers</b>	<ul style="list-style-type: none"> <li>• Records and information management skills</li> <li>• Information technology skills (EDRMS, Database, data security and standards)</li> <li>• Compliance and governance skills</li> <li>• Analytical and problem-solving skills</li> <li>• Organisational and administrative skills</li> <li>• Technological proficiency</li> <li>• Supervisory skills</li> <li>• Communication and interpersonal skills</li> <li>• Customer service</li> <li>• Confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical decision-making</li> <li>• Information management</li> <li>• Technological competence</li> <li>• Communication skills</li> <li>• Customer service</li> <li>• Compliance and governance</li> <li>• Information technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• Technological proficiency</li> <li>• Training on EDRMS</li> <li>• Compliance and governance</li> <li>• Communication and interpersonal skills</li> <li>• Analytical and problem solving</li> <li>• Organisational and administrative skills</li> </ul>
<b>ICT</b>	<ul style="list-style-type: none"> <li>• Technical skills</li> <li>• Compliance and governance skills</li> <li>• Problem solving and critical thinking</li> <li>• Communication skills and relationship management</li> <li>• Customer service</li> <li>• Project and time management</li> </ul>	<ul style="list-style-type: none"> <li>• Technological proficiency</li> <li>• Cyber security and data protection</li> <li>• Cloud computing and virtualization</li> <li>• Data analytics and business intelligence</li> <li>• Systems integration and ERP</li> <li>• Disaster recovery and business continuity</li> <li>• Supervisory skills</li> <li>• Communication skills</li> <li>• Customer service</li> <li>• Interpersonal skills</li> <li>• Emerging technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Technical and functional competencies</li> <li>• Analytical and problem solving</li> <li>• Compliance and risk management</li> <li>• Communication and collaboration competencies</li> <li>• Cloud computing and virtualization</li> <li>• Soft skills enhancement</li> <li>• Adaptability and innovation</li> <li>• Cybersecurity awareness</li> </ul>

Cadre	Skills Set	Skills Gap	Competency Development
<b>Corporate communication</b>	<ul style="list-style-type: none"> <li>• Communication and writing skills</li> <li>• Public relations and brand management</li> <li>• Digital and social media skills</li> <li>• Strategic communication and campaigns</li> <li>• Research and analysis skills</li> <li>• Interpersonal and soft skills</li> <li>• Critical thinking and problem-solving skills</li> <li>• Managerial and supervisory skills</li> </ul>	<ul style="list-style-type: none"> <li>• Digital and technology skills</li> <li>• Strategic communication</li> <li>• Speech and report writing</li> <li>• Relationship and stakeholder management</li> <li>• Data analysis</li> <li>• Crisis management</li> </ul>	<ul style="list-style-type: none"> <li>• Crisis management and strategic communication</li> <li>• Writing and editing</li> <li>• Public speaking</li> <li>• Stakeholder engagement</li> <li>• Digital and technological skills</li> <li>• Public relations and media engagement</li> <li>• Event coordination</li> <li>• Brand management</li> <li>• Research and analysis</li> </ul>
<b>Legal officers</b>	<ul style="list-style-type: none"> <li>• Legal and technical skills</li> <li>• Analytical and problem-solving skills</li> <li>• Communication and relationship management</li> <li>• Technology and digital skills</li> <li>• Regulatory compliance skills</li> </ul>	<ul style="list-style-type: none"> <li>• Contract and negotiation skills</li> <li>• Litigation and dispute resolution</li> <li>• Risk and compliance</li> <li>• Communication and relationship management</li> <li>• Technology and digital competence</li> </ul>	<ul style="list-style-type: none"> <li>• Legal research and analysis</li> <li>• Contract drafting and review</li> <li>• Litigation and dispute resolution</li> <li>• Compliance and regulatory management</li> <li>• Risk management</li> <li>• Negotiation skills</li> <li>• Stakeholder engagement</li> <li>• Cyber security awareness</li> <li>• Time and case management</li> <li>• Integrity</li> <li>• Legal technology proficiency</li> </ul>
<b>Sugar technology officers</b>	<ul style="list-style-type: none"> <li>• Sugar processing knowledge</li> <li>• Chemical processing skills</li> <li>• Equipment operation and maintenance</li> <li>• Process optimization skills</li> <li>• Quality control and assurance</li> <li>• Industry safety and hygiene</li> <li>• Environment compliance</li> <li>• Analytical and problem-solving skills</li> <li>• Management and coordination skills</li> <li>• ICT and digital skills</li> <li>• Communication skills</li> </ul>	<ul style="list-style-type: none"> <li>• Automation and digitalisation</li> <li>• Sustainability and green technology</li> <li>• Research and development</li> <li>• Quality and compliance</li> <li>• Analytical and problem solving</li> <li>• Management and leadership</li> <li>• Communication and relationship management skills</li> </ul>	<ul style="list-style-type: none"> <li>• Sugar procession</li> <li>• Quality assurance and food safety</li> <li>• Equipment operation and maintenance</li> <li>• Sustainability practices</li> <li>• Analytical and problem-solving competencies</li> <li>• Leadership and management</li> <li>• Effective communication</li> </ul>
<b>Corporate planning officers</b>	<ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Business analysis skills</li> <li>• Policy formulation</li> <li>• Project planning and management</li> <li>• Performance monitoring</li> <li>• Data analysis and interpretation</li> <li>• Communication and stakeholder engagement skills</li> <li>• Technical and digital skills</li> <li>• Leadership and managerial skills</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic and analytical gaps</li> <li>• Technical and digital</li> <li>• Communication and engagement</li> <li>• Project implementation gaps</li> <li>• Leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic and analytical competencies</li> <li>• Corporate planning and policy development</li> <li>• Performance management</li> <li>• Technology proficiency</li> <li>• Report writing and presentation</li> <li>• Project management and implementation</li> <li>• Leadership and management</li> </ul>

## 6.2.3 Leadership

Successful implementation of the Board's Strategic Plan will require synergies and collaboration across the entire organisation. To be effective, the Board has designated Strategic Theme Teams (STTs) who will champion implementation of

their respective thematic areas by ensuring that activities remain aligned with the Strategic Plan's strategic goals, are well coordinated across directorates and departments, and are responsive to emerging opportunities, risks and developments.

The mandate of the STTs is to oversee, coordinate and drive the implementation of the respective strategic themes. The Board has been quite deliberate in forming the STTs to ensure that each team is composed of members with diverse expertise and roles relevant to the thematic area. The STTs will complement the responsibility centres by ensuring a holistic approach to problem-solving, planning and implementation of the Plan. The Director HRA will coordinate with the Director Finance and Planning to facilitate issuance of clear terms of reference to the respective STTs members based on the thematic area. **Table 6.2.3** captures the team composition and the assigned thematic area.

**Table 6.2.3: Strategic Theme Teams**

	Thematic Area	Team		Team-Leader
1.	<b>Sugarcane Productivity</b>	<ul style="list-style-type: none"> <li>• Director -SDAS</li> <li>• DD-Crops Development</li> <li>• DD-Sugar Technology</li> </ul>	<ul style="list-style-type: none"> <li>• DD-Corporate Planning</li> <li>• DD-ICT</li> <li>• Director – R&amp;C</li> </ul>	<ul style="list-style-type: none"> <li>• Director-SDAS</li> </ul>
2.	<b>Sugar Production</b>	<ul style="list-style-type: none"> <li>• Principal Sugar Technologist</li> <li>• Director-MRPP</li> </ul>	<ul style="list-style-type: none"> <li>• Director-FM</li> <li>• DD-Supply Chain Management</li> </ul>	
3.	<b>Industry Regulation</b>	<ul style="list-style-type: none"> <li>• Director-LS</li> <li>• Director-R&amp;C</li> <li>• DD-ICT</li> </ul>	<ul style="list-style-type: none"> <li>• DD-Registration and Licensing</li> <li>• DD-Inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Director - R&amp;C</li> </ul>
4.	<b>Research, Partnerships and Industry Diversification</b>	<ul style="list-style-type: none"> <li>• Director-MRPP</li> <li>• DD-Market Research</li> <li>• DD-Product Promotion</li> </ul>	<ul style="list-style-type: none"> <li>• DD-ICT</li> <li>• Director-SDAS</li> <li>• DD-Inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Director MRPP</li> </ul>
5.	<b>Industry Sustainability</b>	<ul style="list-style-type: none"> <li>• Director-SDAS</li> <li>• DD-Product Promotion</li> <li>• Director-FM</li> <li>• DD-Inspection</li> </ul>	<ul style="list-style-type: none"> <li>• DD-Corporate Communications</li> <li>• DD-ICT</li> <li>• DD-Corporate Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Director MRPP</li> </ul>
6.	<b>Institution Development</b>	<ul style="list-style-type: none"> <li>• Director-FM</li> <li>• Director-FP</li> <li>• Director-LS</li> <li>• Director-HRA</li> <li>• Director-Audit</li> <li>• DD-ICT</li> <li>• DD-Resource Mobilisation</li> <li>• DD-Fund Admin</li> </ul>	<ul style="list-style-type: none"> <li>• DD-Corporate Planning</li> <li>• DD-Supply Chain Management</li> <li>• DD-Corporate Communications</li> <li>• DD-HRM</li> <li>• DD-Admin</li> <li>• Asst. Director -ICT</li> <li>• DD-Finance &amp; Accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Director - HRA</li> </ul>



## 6.2.4 Systems and Procedures

The Board will develop, improve and institutionalise relevant Standard Operations Procedures (SOPs), guidelines and digital management systems to promote uniformity in execution and facilitate seamless coordination across the organisation. In addition, the Board will undertake periodic reviews of institutionalised procedures, guidelines and systems to ensure alignment with emerging needs, regulatory changes and technological advancements. This will help the Board sustain efficiency and integrity in Strategic Plan implementation process.

Several systems and their corresponding procedures have been identified for development or improvement by the Board over the next three years. To ensure synergy and avoid fragmented development, improvement and operationalisation of ICT systems, the Board will develop an ICT Roadmap that will identify and analyse its required systems, allocate resources and prioritise implementation. Some key systems and procedures to be delivered and operationalised within this period include:

1. Quality-Based Cane Payment System (QBCPS);
2. Sugar industry traceability system;
3. Knowledge management repository;
4. Centralised Remote Sensing and Geographic Information System (GIS) data hub;
5. Quality Management System (QMS);
6. Integrated Management Information System (IMIS);
7. Disaster Recovery Plan (DRP);
8. Laboratory Information Management System (LIMS) and Enterprise Resource Planning (ERP) system integration;
9. Enterprise Risk Management (ERM) system.

These systems and procedures will be developed or improved alongside the existing Enterprise Resource Planning (ERP) system which handles various functional components of the Board.

## 6.3 Risk Management Framework

The Board will operationalise an Enterprise Risk Management Framework (ERMF) to identify, monitor and mitigate strategic, operational, financial, technological, environmental and compliance risks. Each Directorate will designate a Risk Champion to embed risk awareness in daily operations.

**The objectives of this framework include:**

1. Protecting the Board's financial health, data, assets and reputation;
2. Ensuring that the Board operates in compliance with its legal mandate, and other laws, policies and regulations expected of public institutions;
3. Improving operational efficiency and decision-making within the Board; and
4. Promoting a risk-awareness culture across the organisation.

### 6.3.1 Key Framework Components

The ERMF will take into consideration the following seven components:

1. Risk governance and oversight
2. Risk identification
3. Risk assessment
4. Risk mitigation and control
5. Monitoring and reporting of risks
6. Risk communication and awareness culture
7. Risk management system

#### 6.3.1.1 Risk Governance and Oversight

The risk governance and oversight responsibility within the Board will be vested as per the following organisational structure:

- a. The Board of Directors (BoD)** will provide oversight and approve the ERM framework which must clearly spell out the risk appetite and tolerance for the Board. The BoD will also ensure risk management is integrated within strategic decisions of the Board.
- b. The Senior Management Team** will facilitate and monitor implementation of the risk strategy within their respective functions in coordination with the **Director of Internal Audit and Risk Assurance**.

- c. Each **directorate/department** will designate one member of staff as a **Risk Champion** who will coordinate day-to-day risk management activities in the directorate/department.
- d. All **members of staff** will have a role to play in managing the inherent risks within the organisation.

#### 6.3.1.2 Risk Identification

There will be a systematic identification of potential events that could affect the Board's objectives and operations. This will be done in accordance with the ERMF through a Risk Register (manual or automated in the ERM system), which will be periodically updated, reviewed and appropriate mitigation actions taken in line with this ERMF. The risk events will be broadly categorised as follows:

1. Strategic risks
2. Financial risks
3. Operational risks
4. Regulatory and compliance risks
5. Reputational risks
6. Technological risks
7. Environmental risks

#### 6.3.1.3 Risk Assessment

Assessment of the potential adverse events in the organisation will be based on:

- a. Likelihood or probability of occurrence.
- b. Severity/impact or effect on the organisation if the risk materialises.
- c. Overall risk level which will be a product of the likelihood and the severity.

Each risk event will be rated using the risk scoring model outlined in **Appendix III**.

#### 6.3.1.4 Risk Mitigation and Control;

The objective of risk mitigation is to reduce the impact or likelihood of occurrence of the risk events. The purpose of risk control is to continuously monitor and manage risks. The ERMF will provide elaborate measures to be put in place for mitigating and controlling risks, which will include:

- ❖ Developing, implementing and ensuring compliance with policies and procedures.

- ❖ Maintaining internal controls and segregation of duties where applicable.
- ❖ Ensuring staff are trained and each observes outlined code of conduct.
- ❖ Maintaining insurance covers where applicable.
- ❖ Investing in, and maintaining appropriate technology.

#### 6.3.1.5 Monitoring and Reporting of Risks

The Internal Audit and Risk Assurance Directorate will undertake regular monitoring and reporting of risk events through:

- ❖ Continuous monitoring of risks via risk audits, tracking of KPIs and regular performance reviews.
- ❖ Periodic submission of risk monitoring and compliance reports to the Board's top management and the BoD.
- ❖ Immediately flagging and escalating early warning indicators and control breaches detected during monitoring, for appropriate actions.

#### 6.3.1.6 Risk Communication and Awareness Culture

The Board is appraised of the need to create a risk awareness culture across all its directorates, departments, units and regional offices. In this regard, the Board will promote activities and events that:

1. Foster a risk-awareness culture through regular communication and training;
2. Encourage staff to report risk incidents and suggest control improvements.

### 6.4 Risk Matrix

During this strategic planning period, the Board will develop a Risk Matrix to systematically assess and prioritise key risks as presented in **Table 6.4.1**. The matrix evaluates each risk based on its likelihood of occurrence and potential impact on the Board's operations and reputational standing. A comprehensive ERMF will be developed to reinforce and improve this matrix, and create a visual dashboard that enables the Board's management to identify high-priority risks requiring immediate mitigation, allocate resources effectively, and ensure the controls are aligned with its overall risk appetite.

**Table 6.4.1: Risk Management Framework**

RISKS	LIKELIHOOD (L/M/H)	SEVERITY (L/M/H)	OVERALL RISK LEVEL	MITIGATION MEASURES
<b>Strategic Risks</b>				
Weak governance systems or nonadherence to principles of corporate governance	L	H	M	<ul style="list-style-type: none"> <li>❖ Sustained adherence and continuous corporate governance improvement</li> <li>❖ Regularly induct Board's leadership on ethical corporate governance practices</li> </ul>
Strategic misalignment with developments in the operational environment and sugar industry	M	M	M	<ul style="list-style-type: none"> <li>❖ Effective monitoring and evaluation of the Strategic Plan implementation.</li> <li>❖ Regular surveillance on industry developments.</li> <li>❖ Continuous monitoring of operational environment including political moods, legislations, policies and regulations, and other government strategies.</li> </ul>
Poor execution of the Strategic Plan	L	H	M	<ul style="list-style-type: none"> <li>❖ Adherence to Strategic Plan Action Plan.</li> <li>❖ Implementation of the monitoring, evaluation and reporting framework of the Strategic Plan.</li> <li>❖ Strategic prioritisation and allocation of adequate resources for implementation of SP activities.</li> </ul>
<b>Financial Risks</b>				
Inadequate financial resource mobilisation	M	H	H	<ul style="list-style-type: none"> <li>❖ Effective coordination with KRA for SDL collection</li> <li>❖ Developing and implementing effective revenue mobilisation strategies</li> <li>❖ Developing alternative revenue sources</li> </ul>
Budget overruns	H	H	H	<ul style="list-style-type: none"> <li>❖ Ensuring alignment of budgets to priority programs</li> <li>❖ Periodic budget monitoring and reporting</li> <li>❖ Rationalisation of operational and capital expenditure</li> </ul>
Inaccurate financial reporting or forecasting	L	M	M	<ul style="list-style-type: none"> <li>❖ Regular internal audits</li> <li>❖ Periodic review of forecasts and actuals</li> </ul>
<b>Operational Risks</b>				
Ineffective implementation of Quality Assurance Systems (QAS)	L	L	L	<ul style="list-style-type: none"> <li>❖ Implement QAS and periodically monitor compliance</li> </ul>
Difficulty in attracting or retaining skilled and competent human capital, or inadequate workforce, or low staff morale	L	H	M	<ul style="list-style-type: none"> <li>❖ Competitive compensation and benefits</li> <li>❖ Proper HR planning</li> <li>❖ Career development</li> <li>❖ Conducive work environment</li> <li>❖ Foster a collaborative and inclusive work culture</li> <li>❖ Team building and staff motivation programs</li> </ul>
Failure to address or meet industry expectations	L	M	M	<ul style="list-style-type: none"> <li>❖ Effective stakeholder engagement</li> <li>❖ Continuous research and monitoring on industry developments and devising appropriate response.</li> </ul>

RISKS	LIKELIHOOD (L/M/H)	SEVERITY (L/M/H)	OVERALL RISK LEVEL	MITIGATION MEASURES
				❖ Benchmarking with other industry regulators
Inability to build or maintain partnerships	L	L	L	❖ Formalise partnerships with clear MOUs and deliverables. ❖ Dedicate resources for partnerships and collaborations ❖ Monitor and review partnerships regularly.
Inadequate operational infrastructure and logistics	L	M	M	❖ Effective budgeting and timely procurement ❖ Regular maintenance
Fraud or misappropriation of funds	L	H	H	❖ Segregate financial duties ❖ Enforce dual approvals ❖ Regular internal audits and reconciliations ❖ Reinforce code of conduct and staff discipline ❖ Ensure systems are in place for early detection and prevention ❖ Regular review of all financial reports
Human error (e.g., data entry mistakes)	L	M	L	❖ Standard Operating Procedures (SOPs) ❖ Staff training and onboarding programs ❖ Implement checks and approvals
Riots, political chaos and burglaries	M	M	M	❖ Insure against riots, political violence and burglary ❖ Implement early warning systems and communication mechanism to avert negative impact of riots or political chaos
Work related accidents	L	H	H	❖ Insure under Work Injury Benefit Act (WIBA) ❖ Train staff on emergency preparedness ❖ Proper orientation in handling tools and machines of the Board
<b>Environmental Risks</b>				
Fire, floods and other natural disasters	L	H	H	❖ Maintain Disaster Preparedness Plan ❖ Insure where applicable ❖ Train staff on emergency preparedness
<b>Legal and Regulatory Risks</b>				
Regulatory non-compliance with existing legal provisions expected of the public institution i.e. Public Finance Management (PFM) Act and others.	L	M	M	❖ Regular compliance audits ❖ Adequate controls to enhance compliance by all staff ❖ Training and orientation on compliance requirements
Regulatory penalties or fines (financial compliance)	L	L	L	❖ Timely filings of necessary regulatory returns and reports ❖ Compliance calendar

RISKS	LIKELIHOOD (L/M/H)	SEVERITY (L/M/H)	OVERALL RISK LEVEL	MITIGATION MEASURES
Legal and contractual disputes	L	M	M	<ul style="list-style-type: none"> <li>❖ Establish mechanisms for proper vetting of all formal contracts</li> <li>❖ Undertake insurance indemnity where possible</li> <li>❖ Adhere to contractual obligations</li> </ul>
<b>Reputational Risks</b>				
Corruption, nepotism, ethnicism, un-fair treatments of staff or stakeholders, sexual harassments at workplace	M	M	M	<ul style="list-style-type: none"> <li>❖ Establish and enforce code of conduct and ethics guidelines</li> <li>❖ Offer ethics and compliance training</li> <li>❖ Develop an internal and external communication strategy for crisis management</li> <li>❖ Report cases of corruption to Ethics and Anti-Corruption Commission (EACC) for appropriate action.</li> <li>❖ Establish a whistle-blower mechanism for early detection of unethical practices</li> </ul>
Unresolved stakeholder complaints or disputes	M	L	L	<ul style="list-style-type: none"> <li>❖ Maintain a formal complaints-handling process</li> <li>❖ Acknowledge and resolve issues promptly</li> <li>❖ Establish escalation criteria for unresolved issues</li> </ul>
Conflict of interest	M	L	L	<ul style="list-style-type: none"> <li>❖ Establish and enforce code of conduct and ethics guidelines</li> </ul>
<b>Technological Risks</b>				
Inadequate ICT infrastructure to support operational and administrative needs of the Board	L	L	L	<ul style="list-style-type: none"> <li>❖ Develop and implement Board's ICT roadmap</li> <li>❖ Implement regular ICT audits and upgrades.</li> <li>❖ Prioritise resource allocation for ICT infrastructure procurement and development</li> </ul>
Digital disruption	H	M	M	<ul style="list-style-type: none"> <li>❖ Invest in relevant modern systems</li> <li>❖ Embrace automation and client self-service portals</li> <li>❖ Monitor technology trends</li> </ul>
ICT system downtimes, data backup and recovery processes	L	L	L	<ul style="list-style-type: none"> <li>❖ Invest in reliable system</li> <li>❖ System backups</li> <li>❖ ICT support partner or Service Level Agreements (SLAs)</li> <li>❖ Set automated daily/weekly backups</li> <li>❖ Test data recovery regularly</li> </ul>
Cyberattacks (e.g., phishing, ransomware) and data breach or loss	H	H	H	<ul style="list-style-type: none"> <li>❖ Install firewalls, antivirus, and endpoint protection</li> <li>❖ Conduct cybersecurity awareness training</li> <li>❖ Regularly update systems and software</li> <li>❖ Secure systems with passwords</li> <li>❖ Sensitise staff</li> </ul>
Inadequate ICT support, skills or poor digital culture	L	L	L	<ul style="list-style-type: none"> <li>❖ Hire or contract skilled Information Technology (IT) personnel</li> <li>❖ Provide staff tech training</li> <li>❖ Document IT procedures and troubleshooting guides</li> </ul>

# CHAPTER SEVEN: RESOURCE REQUIREMENTS AND MOBILISATION STRATEGIES

## Overview

This Chapter outlines financial requirements necessary to deliver on the strategic objectives. It also emphasises the need for prudent resource allocation, prioritisation of key interventions, and adoption of cost-effective approaches to maximise impact. Resource mobilisation strategies to ensure sustainability are also detailed in this Chapter.

## 7.1 Financial Requirements

Each financial year, the Board will prepare budget estimates for implementation of the Annual Work Plans extracted from the Strategic Plan's Action Plan. **Table 7.1.1** shows the estimated budget for implementing the Strategic Plan over the planning period at a total cost of **Ksh 23.74 billion** inclusive of the Board's administration expenses.

**Table 7.1.1: Financial Requirements for Implementing the Strategic Plan**

Cost Item	Projected Resource Requirements KSh. Mn)			
	2025/26	2026/27	2027/28	Total
KRA 1: Sugarcane Productivity	206.20	170.00	42.00	<b>418.20</b>
KRA 2: Sugar Production	15.00	20.00	10.00	<b>45.00</b>
KRA 3: Industry Regulation	135.00	140.00	110.00	<b>385.00</b>
KRA 4: Research, Partnerships and Industry Diversification	78.00	62.50	60.50	<b>201.00</b>
KRA 5: Industry Sustainability	40.00	38.00	539.00	<b>617.00</b>
KRA 6: Institutional Development	556.50	465.23	477.13	<b>1,498.86</b>
<b>Sub-Total</b>	<b>1,030.70</b>	<b>895.73</b>	<b>1,238.63</b>	<b>3,165.06</b>
Administration Expenses	1,147.80	1,214.32	1,300.73	<b>3,662.85</b>
Other Expenses	1,000.00	1,100.00	1,210.00	<b>3,310.00</b>
Sugar Industry Productivity Enhancement	4,923.96	4,331.99	4,350.99	<b>13,606.94</b>
<b>Grand Total</b>	<b>8,102.46</b>	<b>7,542.04</b>	<b>8,100.35</b>	<b>23,744.85</b>



The estimated financial allocations for the Board will not adequately cover the estimated cost of delivering the strategic objectives. **Table 7.1.2** shows the expected financial gap of **Ksh 3.17 billion**, which will be addressed through resource mobilisation strategies.

**Table 7.1.2: Resource Gaps**

Financial Year	Estimated Financial Requirements (KSh. Mn)	Estimated Allocations (KSh. Mn)	Variance (KSh. Mn)
<b>2025/26</b>	8,102.46	7,071.77	(1,030.69)
<b>2026/27</b>	7,542.04	6,646.32	(895.72)
<b>2027/28</b>	8,100.35	6,861.72	(1,238.63)
<b>Total</b>	<b>23,744.85</b>	<b>20,579.81</b>	<b>(3,165.04)</b>

## 7.2 Resource Mobilisation Strategies

The principal source of funding the Board's operations will be through the Sugar Development Fund. From the revenue estimates, these funds will not adequately cater for delivery of the Board's strategic objectives and administration expenses. Therefore, the Board intends to leverage government budgetary allocations and internally generated revenues while forging strong public-private partnerships to finance programs and infrastructure for the overall improvement of the sugar industry. The strategies are briefly explained below:

- 1. Enhancing collection of SDL** – the Board will upscale measures for efficiency in collection of sugar development levies from all the established millers in collaboration with Kenya Revenue Authority (KRA). The measures include enhanced market surveillance, monitoring and linkage of millers and the Board's systems for accurate and timely data transmissions.
- 2. Continuous advocating for government budgetary support** – agriculture sector is a major contributor to the country's GDP. Therefore, the Board has considered aligning its strategic objectives with the national priorities, which justifies sustained government funding. Thus, the Board will advocate for

increased allocation from the national budget to the sugar sector through the State Department for Agriculture.

- 3. Strengthening mechanisms for internally generated revenues** – the Board intends to strengthen its internal revenue generation by putting up additional measures and systems that will maximise collection of licensing fees, revenue from specific training programs, certification services and industry data services.
- 4. Leveraging on Public Private Partnerships (PPPs) framework** – the Board intends to forge partnerships with private investors for joint investments in infrastructure, research, extension services and value addition, anchored on the Public–Private Partnerships Act.
- 5. Engaging with donors and development partners** – the Board will explore avenues for engaging bilateral and multilateral development partners to fund programs on climate-smart agriculture, farmer capacity building and market access.
- 6. Regional and international collaboration** – the Board will explore avenues for tapping opportunities and benefits provided under regional integration frameworks such as Common Market for Eastern and Southern Africa (COMESA) and African Continental Free Trade Area (AfCFTA), to attract funding for capacity building, trade facilitation and competitiveness enhancement in the sugar industry. The Board will also actively participate in international climate financing mechanisms such as Green Climate Fund (GCF) to support sustainable cane production and environmental conservation programs.

## 7.3 Resource Management

To reinforce efficient, effective, prudent and frugal management of the resources under its purview, the Board plans to undertake the following measures:

- ❖ Ensuring strict prioritisation of high-impact initiatives in line with the Annual Work Plans derived from the Strategic Plan's Action Plan.
- ❖ Eliminating any duplication of efforts in implementation of its programs in the industry through pooling resources with county governments, partner organisations and millers for joint programs.
- ❖ Implementing effective financial control systems and accountability.
- ❖ Adopting value chain execution frameworks through channelling resources to interventions that directly enhance efficiency, competitiveness and sustainability across the sugar value chain, underpinned by research, cane development, harvesting, transporting, milling, value addition, market access and trade.
- ❖ Developing and promoting use of digital systems to reduce its administrative overheads.
- ❖ Targeting interventions that reduce production costs, improve efficiencies and enhance competitiveness, thereby achieving more with scarce resources while also stimulating sector-wide sustainability.

# CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

## Overview

This chapter outlines the Monitoring, Evaluation, and Reporting (MER) framework that will guide the Board in tracking the implementation of the Strategic Plan.

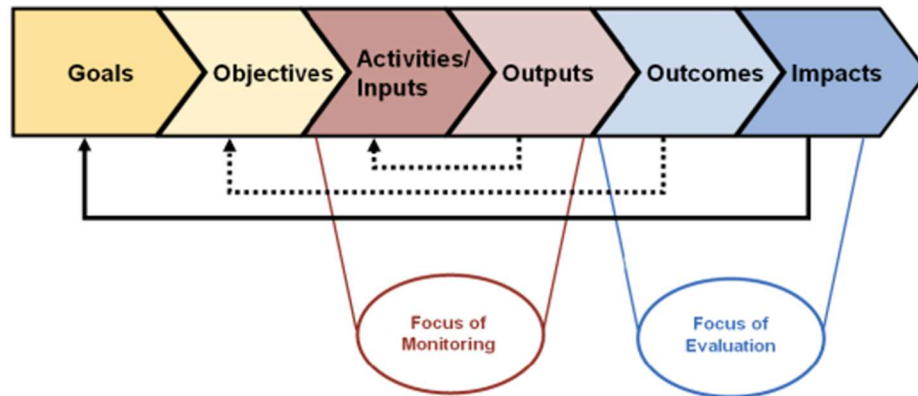


Figure 7.3.1: M&E Framework

## 8.1 Monitoring Framework

This monitoring framework aims to facilitate continuous tracking of progress on key annual activities and expected outputs. The framework provides a structured approach for collecting, analysing and using performance data to inform timely decision-making. The framework is results-based, linking activities to outputs against targets and responsible units, while ensuring alignment between planned interventions and actual performance.

The Corporate Planning Department will facilitate creation of dashboards and automated performance tracking tools to provide real-time visibility on key performance indicators and indicator baselines. Monitoring activities will be conducted as provided in **Table 8.1.1**.

**Table 8.1.1: Monitoring Framework**

No.	Description	Action	Responsibility
1.	What is to be monitored	1. Outputs from key activities	Strategic Theme Teams
		2. Outcomes	Deputy Director of Corporate Planning
2.	What is to be done with monitoring reports	1. Review of output against targets	Deputy Director of Corporate Planning
		2. Continuous implementation	All heads of directorates and departments
		3. Allocation of resources	Board and Management
		4. Change strategies	All heads of directorates and departments
		5. Review the Strategic Plan	Board and Management

## 8.2 Performance Standards

The Board will use specific benchmarks or criteria that define the expected level of performance for activities, outputs and outcomes outlined in the Strategic Plan as guided by the Public Service Commission Performance Management Regulations 2021 (Part V). **Table 8.2.1** outlines performance standards that shall be used to rate the Board.

**Table 8.2.1: Performance Standards**

	Rating	Performance Standards
1	Excellent	Achievement exceeding the set target by 30% or more
2	Very good	Achievement of the set target or exceeding by up to 30% i.e. 100% and 130% of the target
3	Good	Achievement below the target i.e. between 70% and 100% of the target
4	Fair	Achievement way below the target i.e. between 50% and 70% of the target
5	Unsatisfactory	Achievement far much below the target i.e. between 0% and 50% of the target

## 8.3 Evaluation Framework

The objective of this framework is to provide a structured approach for assessing the effectiveness, relevance and impact of the Board's Strategic Plan over its implementation period. The Board will apply this framework to systematically review progress against strategic objectives, determine the success of key initiatives, and inform future strategic adjustments. The framework focuses on evaluating performance across the Key Result Areas by analysing achievement of the desired outcomes and impacts for each strategic objective using both quantitative data and qualitative feedback such as staff insights and stakeholders' satisfaction.

The evaluation criteria will include:

- a) **Relevance** – did the Board's strategic interventions address the strategic issues identified as important for the industry and the Board's operation, and continue to do so?
- b) **Coherence** – how well did the Board's strategic interventions fit within the national, regional and global policies and blueprints?
- c) **Effectiveness** – did the Board achieve its objectives through the interventions?
- d) **Efficiency** – how well did the Board use resources at its disposal (funds, time, expertise) to achieve the desired results (outputs, outcomes and impacts)?
- e) **Impact** – what positive/negative, direct/indirect, intended/unintended difference did the interventions make?
- f) **Sustainability** – how sustainable are the benefits accruing from the Board's interventions?

The Board will conduct both independent **mid-term** and **end-term** evaluation of the Strategic Plan implementation. The mid-term evaluation will be conducted after one and half years (1.5 years) of implementing the Strategic Plan (i.e. in December 2026), while the end-term evaluation will be conducted in June 2028.

The evaluation findings will be documented and presented to the Board of Directors and Management Team of the KSB on the basis of defined outcome indicators, baselines and targets as summarised in **Table 8.3.1**. These insights will be used to refine implementation approaches, enhance institutional learning and ensure strategic alignment with evolving industry conditions.

**Table 8.3.1: Outcome Performance Matrix**

No.	Key Result Area	Outcome	Outcome Indicator	Baseline		Targets	
				Year	Value	Mid-Term Period	End-Term Period
1.	<b>Sugarcane Productivity</b>	Improved cane production and yield per unit of land	Crop yield (TCH)	2024	75	82.5	85
			Crop production (MT)		9,700,000	10,670,000	11,155,000
			Area under crop (Ha)		252,508	277,759	290,384
			No. of sugarcane farmers		350,000	367,500	385,000
2.	<b>Sugar Production</b>	Increased national sugar output	Sugar production (MT)	2024	832,185	915,404	957,013
			Average milling recovery rate (%)		10.90	9.8	9.5
			Factory capacity utilisation (%)		56%	62%	64%
3.	<b>Industry Regulation</b>	Fair, orderly and competitive industry.	Proportion of sugar sector laws/regulations reviewed, updated and harmonised		N/A	75%	100%
		Fair, orderly and competitive industry.	Stakeholder confidence index in industry governance		N/A	Baseline +15%	Baseline +30%
		Quality, safe and fairly priced products.	Level of industry compliance with regulatory requirements (%)		N/A	100%	100%
4.	<b>Research, Partnerships and Industry Diversification</b>	Increased evidence-based policy decisions in the sugar industry	% of policy decisions informed by Board data reports		N/A	100%	100%
			Number of stakeholders accessing and utilizing industry data		N/A	75%	100%
		Enhanced collaboration and innovation ecosystem that drives research uptake, technology adoption, and diversification.	No. of new product lines		N/A	2	3
			% increase in uptake of modern technologies and innovations among farmers and millers		N/A	25%	30%
		Strengthened, efficient, and sustainable farmers' organisations	% of registered farmers' organisations implementing the guidelines		N/A	75%	100%
5.	<b>Industry Sustainability</b>	Improved integration of cross-cutting issues in the industry	Average industry ESG compliance score (%)		N/A	60%	80%
			Proportion of farmers adopting climate-smart or sustainable farming practices		N/A	Baseline + 25%	Baseline + 50%
			Proportion farmers accessing credit facilities		N/A	10%	15%
			Proportion of women and youth farmers.		N/A	Baseline + 5%	Baseline +15%
6.	<b>Institutional Development</b>	Enhanced service delivery and stakeholder's satisfaction	Productivity index		N/A	80%	85%
			Employee engagement index		N/A	Baseline +3%	Baseline +5%
			Level of digital integration of the Board's processes		50%	70%	80%
			Audit and compliance rating		N/A	100%	100%
			Proportion of revenues mobilised against SP budget		N/A	90%	95%

## 8.4 Reporting Framework and Feedback Mechanism

To achieve the desired results on implementation of the Strategic Plan, both monitoring and evaluation activities should provide reports that help the leadership of the Board to make appropriate decisions. The frequency, responsibility and users of the monitoring and evaluation reports are outlined in **Table 8.4.1**.

**Table 8.4.1: Reporting Framework and Feedback Mechanism**

No.	Activity	Frequency of Report	Responsibility	Users of the Report
1.	Monitoring activity progress	Monthly	Head of the Unit	Responsible Unit
2.	Monitoring activity output data against targets for each thematic area	Quarterly	Strategic Theme Teams	Theme Teams
3.	Collation of output data against targets for the strategic plan	Semi-annually	Head of Corporate Planning	Peer review team
4.	Peer review of monitoring reports	Semi-annually	CEO and Senior Management	Senior Management
5.	Annual review of strategy implementation progress	Annually	CEO and Senior Management	Board of Directors or Responsible Committee
6.	Undertaking mid-term evaluation	After 1.5 years	CEO/ Head of Corporate Planning	
7.	Undertaking end-term evaluation	After 3 years		

At departmental level, the departmental head will be expected to monitor on **monthly** basis activity implementation progress on the relevant strategic initiatives.

The monthly progress reports should feed into **quarterly progress reports** collated by the Strategic Theme Teams for each thematic area. Head of Corporate Planning will facilitate the Strategic Theme Teams to ensure meaningful progress reports are availed for focused deliberations and evidenced-based decisions.

Quarterly progress reports should be compiled to produce **half-year progress reports**. It is expected that this report will be tabled for peer review and discussion whereupon achievements, challenges and corrective actions will be discussed. This report should provide both detailed and summarised versions of implementation progress against the targets.



At the end of each financial year, the Corporate Planning Department will compile **annual progress report** on the strategy implementation for management review and presentation to the Board of Directors or the Board Committee. The Board of Directors or the responsible Board Committee will review the annual monitoring reports prepared by the management team. During the reviews, appropriate decisions shall be taken whether to continue implementing certain strategies or change them, as well as determine whether the allocated resources are sufficient for implementing the Annual Work Plan. These reviews shall determine how the subsequent Annual Workplans are implemented.

The templates provided in **Tables 8.4.2, 8.4.3 and 8.4.4** will be used for quarterly and annual monitoring reports, and mid-term and end-term evaluation reports respectively.

**Table 8.4.2: Quarterly Progress Reporting Template**

QUARTERLY PROGRESS REPORT											
QUARTER ENDING .....											
Expected Output	Output indicator	Annual target	Quarter for year			Cumulative to date			Remarks	Corrective Intervention	
			Target	Actual	Variance	Target	Actual	Variance			
1.											
2.											
3.											
4.											
5.											

**Table 8.4.3: Annual Progress Reporting Template**

ANNUAL PROGRESS REPORT									
YEAR ENDING....									
Expected Output	Output indicator	Achievement for year			Cumulative to date (Years)			Remarks	Corrective Intervention
		Target	Actual	Variance	Target	Actual	Variance		

**Table 8.4.4: Evaluation Reporting Template**

EVALUATION REPORT									
Strategic Pillar	Outcome	Outcome Indicator	Baseline	Mid-term evaluation		End of Plan Evaluation Period		Remarks	Corrective Intervention
			Value	Target	Achievement	Target	Actual		

# APPENDICES

## 9.1 Appendix I: Implementation Matrix

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility		
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support	
Strategic Issues 1: Declining farm-level productivity of cane															
Strategic Goal 1: Increased production and productivity of sugarcane															
KRA 1: Sugarcane Productivity															
Outcome 1: Improved cane production and yield per unit of land.															
Strategic Objective 1: To increase average national sugarcane yield from 75 to 85 TCH by 2027															
1.1 Rehabilitating soils in the sugarcane growing zones	1.1.1 Develop and implement an integrated soil fertility management strategy	Soil fertility strategy developed and implemented	Strategy Report	Completion of Strategy development (%)	100%	100%			0.2			0.2	MRPP	SDAS	
			Baseline Study Report	Completion of baseline study (%)	100%	100%			10			10			
1.2 Promoting sustainable land use practices	1.2.1 Develop and promote a sustainable land intensification strategy	Strategy developed and implemented	Strategy Report	Completion of Strategy (%)	100%	100%				25	25	50	MRPP	SDAS	
			Implementation Reports	No. of reports	4		2	2							
1.3 Facilitating access to improved seed cane varieties	1.3.1 Develop and implement commercially viable business model for seed cane production and distribution	Business Model developed and implemented	BM Report	Completion of BM (%)	100%		100%			6		6	SDAS		
			Implementation Report	Level of adoption of BM	100%		100%								
		1.3.2 Create linkages between millers and out-grower institutions commercial nurseries and KESRETI for access to clean seed material.	Seed linkages created	Report on linkages created	% of mills linked to stakeholders	100%			100%			2	2	SDAS	

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
<b>1.4 Promoting Good Agricultural Practices (GAPs)</b>	1.4.1 Establish demonstration centres and learning sites	Demo sites established	Locations of the demo sites	No. of demo sites	10	4	4	2	12	12	8	32	SDAS	
	1.4.2 Deploy digital weather and climate advisory services	Advisory services deployed	Advisory services report/data	Proportion of farmers receiving timely weather advisories (%)	95%		95%	95%		1.5	1.5	3.0	SDAS	MRPP
	1.4.3 Identify and prioritise capacity gaps in sugarcane production amongst stakeholders	Gaps in sugarcane production identified and prioritised	Gap Analysis Report	Completion of gap analysis (%)	100%	100%			2			2	Corp Com	SDAS
	1.4.4 Develop and disseminate multimedia content on the identified gaps	Multimedia content developed and disseminated	Video documentaries, farmer testimonials and animated explainers	Annual dissemination Reports	3	1	1	1	2	2	2	6		
	1.4.5 Disseminate GAPs via digital platforms	GAPs disseminated	Report on farmers accessing information	Proportion of farmers with access (%)	95%		95%	95%		1.5	1.5	3	SDAS	MRPP
<b>1.5 Leveraging geo-spatial intelligence to drive precision agriculture</b>	1.5.1 Develop and roll out Sugar Visual Integrated Smart Technology (SugarVISTA) satellite-based field mapping	SugarVISTA developed and rolled out	Concept Note	Completion of SugarVISTA Concept Note	100%	100%			180	120		300	MRPP	SDAS, ICT
			Specification system report	Completion of specification System (%)	100%	100%								
				20yr 4per year	12	4	4	4						
	1.5.2 Roll out satellite-based field mapping	Satellite-based field mapping rolled out	Field mapping Reports	No. of farms digitized and geo-referenced ('000)	8		4	4		2	2	4	MRPP	SDAS

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
Strategic Issue 2: Sub-optimal factory sugar production														
Strategic Goal 2: Enhanced efficiency in sugar production														
KRA 2: Sugar Production														
Outcome 2: Increased national sugar output														
Strategic Objective 2: To promote efficiency in sugar production														
2.1 Operationalizing the Quality-Based Cane Payment System (QBCPS)	2.1.1 Develop and submit regulatory framework for QBCPS	Regulatory framework developed and submitted	Approved Regulation	Completion of approved regulation	100%	100%			10			10	R&C	LS, SDAS
	2.1.2 Develop and operationalise Concept Note on the optimal utilisation of the Cane Testing Units (CTUs)	Concept Note developed and operationalised	Implementation Reports	Completion & operationalisation	100%	100%			5			5		
	2.1.3 Conduct industry-wide sensitisation forums for growers and millers	Industry-wide sensitisation conducted	Stakeholder Sensitisation Reports	No. of stakeholders sensitised ('000)	40		20	20		10	10	20	SDAS	Corp Com
	2.1.4 Develop integration Application Programming Interface (API) between CTUs (LIMS) and mill ERPs	Integration APIs developed	APIs	No. of mills with LIMS-ERP integrations in place	11		11			10		10	ICT	SDAS
Strategic Issues 3: Weak regulatory framework and enforcement leading to non-compliance														
Strategic Goal 3: Strengthened regulatory framework in the sugar industry														
KRA 3: Industry Regulation														
Outcome 3														
□ Fair, orderly and competitive industry.														
□ Quality, safe and fairly priced products.														
Strategic Objective 3: To create an enabling legal, regulatory and compliance framework for the sugar industry														
3.1 Strengthening industry policies and regulations	3.1.1 Develop sugar regulations and policies	Sugar Regulations and Policies developed	Regulations & Policies	Completion of regulations and policies (%)	100%	50%	100%		30	30		60	D-R&C	D-Legal
	3.1.2 Review existing sugar regulations and policies	Sugar regulations and policies reviewed	Revised regulations & policies	Completion of reviews (%)	100%	25%	75%	100%	20	20	20	60	D-R&C	D-Legal

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	3.1.3 Harmonise sugar regulations and policies with regional and international regulations and policies	Sugar regulations and policies harmonised	Harmonised regulations & policies	Completion of harmonisation (%)	100%	25%	50%	100%	5	5	5	15	D-R&C	D-Legal
3.2 Establishing and enforcing industry standards and codes of practice	3.2.1 Develop industry Codes of Practice Manuals for sugar in collaboration with relevant stakeholders	Industry Codes of Practice Manuals developed	Codes of Practice Manuals	Completion of Codes of Practice Manuals	100%	25%	50%	100%	20	20	20	60	D-R&C	D-Legal
	3.2.2 Sensitise value chain players on Codes of Practice Manuals	Value chain players sensitised	Sensitisation Reports	No. of sensitisation forums	6	2	2	2	20	20	20	60		
	3.2.3 Carry out regular compliance audits and assessments on sugar industry players on Codes of Practice Manuals	Compliance audits conducted	Audit Reports	No. of compliance audits	36	12	12	12	15	15	15	45		
	3.2.4 Review sugar industry Codes of Practice Manuals	Sugar industry Codes of Practice Manuals reviewed	Revised Manuals	Proportion of manuals reviewed	100%		50%	100%		5	5	10		
3.3 Enhancing inspection, surveillance and monitoring mechanisms.	3.3.1 Conduct routine inspections, surveillance and intelligence gathering across the value chain and analyse surveillance reports for informed decision-making	Surveillance and inspection conducted	Actioned surveillance & intelligence reports	No. of surveillance and inspections conducted	60	20	20	20	20	20	20	60	D-R&C	
	3.3.2 Integrate licensing data with other regulatory systems for inspection and compliance monitoring	Licensing data systems integrated	Integration reports	No. of data system integrated	3	1	1	1	5	5	5	15	D-R&C	DD-ICT

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
Strategic Issues 4: Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships														
Strategic Goal 4: Enhanced collaboration in research, partnerships and diversification for industry competitiveness														
KRA 4: Research, Partnerships and Industry Diversification														
Outcomes <ul style="list-style-type: none"><li>□ Increased evidence-based policy decisions in the sugar industry</li><li>□ Enhanced collaboration and innovation ecosystem that drives research uptake, technology adoption, and diversification.</li><li>□ Strengthened, efficient, and sustainable farmers' organisations</li></ul>														
Strategic Objective 4: To provide credible industry data for informed decision-making														
4.1 Monitoring local and global market trends and providing timely information to stakeholders	4.1.1 Develop and implement predictive and simulation models	Predictive simulation models developed & implemented	Predictive simulation models in place	Model completion (%)	100%	100%			3	3	3	9	D-MRPP	D-F&CP
			Implementation reports	Level of implementation (%)	100%	100%	100%	100%						
	4.1.2 Publish and circulate Sugar Industry Yearbook of Statistics	Sugar Industry Yearbook of Statistics published and circulated	Yearbook	No. of publications	3	1	1	1	1	1	1	3	D-MRPP	D-SDAS
	4.1.3 Conduct Geographic Information System (GIS) and Remote Sensing (RS)-enabled sugarcane availability survey	GIS and RS enabled sugarcane mapping conducted	Mapping reports	No. of cane availability surveys	3	1	1	1	6	6	6	18	D-MRPP	D-SDAS DD-ICT
4.2 Promoting adoption of new technologies in sugarcane mapping and yield prediction	4.2.1 Establish a Centralised Remote Sensing and GIS data hub	Data hub established	Data hub	Data hub completion (%)	100%	100%			10			10	D-MRPP	DD-ICT
	4.2.2 Implement GIS, remote sensing and AI analytics in sugarcane mapping and yield prediction	Mapping and yield prediction models implemented	Implementation Reports	No. of reports	12	4	4	4	2	2	2	6	D-MRPP	D-SDAS DD-ICT
	4.2.3 Operationalise Near-Real-Time (NRT) monitoring of sugarcane farms	NRT monitoring operationalised	NRT monitoring reports	Proportion of NRT coverage wrt total cane acreage	100%	10%	50%	100%	10	10	10	30	D-MRPP	DD-ICT

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
Strategic Objective 5: To promote strategic partnerships in research and innovation for industry diversification														
5.1 Promoting value addition and diversification	5.1.1 Develop and implement strategy for promoting cogeneration activities	A strategy for promoting cogeneration developed and implemented	Strategy	Strategy completion (%)	100%		100%			3		3	D-MRPP	D-LS
			Implementation reports	Level of implementation (%)	100%		100%			1	1	MRPP	SDAS	
	5.1.2 Develop and implement a strategy for promoting sugar beet value chain	Sugar beet value chain strategy developed and implemented	Strategy	Strategy completion (%)	100%	100%			2			2	D-MRPP	D-SDAS D-R&C
			Implementation reports	Level of implementation (%)	100%		100%	100%		1	1	2		
	5.1.3 Develop and implement an ethanol promotion master plan	Ethanol promotion master plan developed and implemented	Master Plan	Master Plan completion (%)	100%	100%			4			4	D-MRPP	D-SDAS D-R&C
			Implementation reports	Level of implementation (%)	100%		100%	100%		2	2	4		
5.2 Promoting trade and investment in the sugar industry value chain	5.2.1 Facilitate establishment of a multi-stakeholder sugar industry marketing caucus to coordinate strategic market interventions, policy alignment, and trade promotion efforts	Multi-stakeholder sugar marketing caucus established	Multi-stakeholder sugar marketing caucus	Caucus establishment (%)	100%	100%			2	2	2	6	D-MRPP	D- R&C DD-CC
		Implementation of recommended activities	Implementation Reports	Level of implementation (%)	100%	100%	100%	100%						
	5.2.2 Conduct a baseline study to quantify informal trade volumes, routes, and actors to identify formalisation opportunities/mitigation measures	A baseline study conducted	Baseline Report	Baseline completion (%)	100%	100%			3			3	D-MRPP	D-R&C
		Survey report recommendations implemented	Implementation Reports	Level of implementation (%)	100%		50%	100%		2	2	4		
5.3 Promoting research and innovations in the sugar industry	5.3.1 Develop and implement a strategy to institutionalise Science, Technology, and Innovation (STI)	STI Strategy developed & implemented	Strategy	Strategy completion (%)	100%	100%			20	20	20	60	D-MRPP	D-SDAS DD-ICT
			Implementation Reports	Level of implementation (%)	100%	100%	100%	100%						

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	5.3.2 Conduct a gap analysis to identify critical research areas	Gap analysis conducted	Gap analysis report	Gap analysis completion (%)	100%	100%			2			2	D-MRPP	D-SDAS
	5.3.3 Establish strategic collaborations for promoting research and innovation in the sugar value chain	Strategic collaborations established	Collaboration Frameworks	No. of active collaboration frameworks	6	2	2	2	1	1	1	3	D-MRPP	D-LS D-SDAS
5.4 Supporting low-cost innovations for smallholder farmers	5.4.1 Collaborate with other industry players to promote appropriate innovations (e.g. planters, sprayers, weeding tools)	Innovations promoted	Innovation reports	No. of approved innovations	3	1	1	1	2	2	2	6	SDAS	MRPP
	5.4.2 Support MSMEs in fabrication to commercialise innovations	MSMEs supported	Innovations Commercialisation Reports	No. of MSMEs supported	6	2	2	2	3	3	3	9		
Strategic Objective 6: To strengthen sugarcane farmer organisations for operational efficiency and sustainability														
6.1 Strengthening the institutional capacity and governance of sugarcane farmer organisations.	6.1.1 Develop and cascade Out-grower Operations Manual for implementation	Manual developed and adopted	Out-grower Operations Manual	Manual completion (%)	100%	100%			1.5			1.5	D-MRPP	D-R&C D-SDAS
			Adoption Reports	Proportion of farmer organisations adopting the manual (%)	100%	50%	75%	100%	1.5	1.5	1.5	4.5	D-R&C	D-MRPP D-SDAS
	6.1.2 Develop a register of sugarcane farmers' organisations	Farmers organisations register developed	Farmer Organisations Register	Register completion	100%	100%			1			1	D-R&C	D-SDAS
	6.1.3 Build capacity of sugarcane growers' organisations for increased coordination and participation in the value chain	Sugarcane growers' organisations capacity built	Capacity Building Reports	Proportion of organisations trained (%)	100%	25%	50%	100%	3	3	3	9	D-MRPP	D-FM D-R&C D-SDAS D-LS



Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
Strategic Issues 5: Limited mainstreaming of cross-cutting issues in the industry														
Strategic Goal 5: A sustainable sugar industry														
KRA 5: Industry Sustainability														
Outcome 5: A resilient, inclusive, and environmentally responsible sugar industry that meets global sustainability standards														
Strategic Objective 7: To drive environmental and social sustainability														
7.1 Mainstreaming ESG compliance and sustainability in sugar industry	7.1.1 Develop ESG scorecards for industry players as part of annual performance reviews.	ESG scorecard developed	ESG Scorecards	Scorecard completion (%)	100%	100%			2			2	D-MRPP	D-R&C D-SDAS D-LS
	7.1.2 Sensitise industry players on the ESG scorecard	Industry players sensitised on ESG scorecard	Sensitisation reports	No. of forums	20		10	10		1	1	2	D-MRPP	D-R&C D-SDAS DD-CC
	7.1.3 Conduct annual compliance audit on ESG scorecard	ESG scorecard compliance audit conducted	Audit Reports	No. of audits	2		1	1		1	1	2	D-R&C	D-MRPP D-SDAS
	7.1.4 Conduct capacity building for women and youth to participate in sugar crop farming and agro-processing	Women & youth capacity building conducted	Program Reports	No. of programs	15	5	5	5	2	2	2	6	D-SDAS	D-HRA
	7.1.5 Develop and implement Sugar Industry Climate Change Mitigation and Adaptation Strategy	Mitigation & Adaptation Strategy developed & implemented	Strategy	Strategy completion (%)	100%	100%								
			Implementation Reports	No. of reports	3	1	1	1	10	10	10	30	D-MRPP	D-SDAS
			Sensitisation Reports	No. of sensitization and awareness campaigns	60	20	20	20	3	3	3	9	D-SDAS	D-MRPP DD-CC
	7.1.6 Operationalise traceability system	Traceability system operationalised	Training & sensitisation reports	Proportion of value chain players sensitized and trained on the system (%)	50%		25%	25%		2	2	4	DD-ICT	D-MRPP D-R&C D-SDAS
			System user reports/data	Proportion of farms/processors/ packers onboarded into the system (%)	15%		5%	10%		2	3	5	D-ICT	D-MRPP D-SDAS

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	7.1.7 Establish a Climate Change Information and Learning hub for the industry	Climate Change Information and Learning hub established	The Hub	Hub completion (%)	100%	50%	100%		5	2	2	9	D-MRPP	D-SDAS
			Sensitisation reports	No. of industry actors sensitized and trained on the system	1000		500	500		1	1	2	D-MRPP	D-SDAS DD-CC
			Reports & publications	No. of published reports	2		1	1		1	1	2	D-MRPP	D-SDAS
	7.1.8 Formulate & operationalise a Strategic Plan for the sugar industry in collaboration with stakeholders	Industry Strategic Plan developed and operationalised	Strategic Plan	Strategic Plan completion (%)	100%	100%			10			10	DD-CP	D-MRPP D-SDAS D-R&C
			Performance review reports	No. of reviews	4		2	2		2	2	4		
7.2 Facilitating value chain financing	7.2.1 Develop and implement a sugar crop price stabilisation framework	Sugar price stabilisation framework developed and implemented	Stabilisation Framework	Stabilisation Framework completion (%)	100%		100%			3		3	D-MRPP	D-SDAS
			Price stabilisation fund in place	Amount allocated for the Fund (Ksh-Mn)	500			500			500	500	D-FM	D-F&CP
			Fund uptake reports	No. of smallholder sugarcane farmers enrolled in the scheme	1000			1000			3	3	D-SDAS	D-MRPP D-FM
	7.2.2 Develop and operationalise a mechanism for sugarcane bonus payment	Sugarcane bonus payment mechanism developed and operationalised	Bonus Payment Mechanism	bonus payment mechanism completion (%)	100%	100%			2			2	D-MRPP	D-SDAS
			Bonus payment report	No. of bonus payment reports	3	1	1	1	1	1	1	3	D-MRPP	D-SDAS D-FM D-F&CP
	7.2.3 Develop and operationalise a monitoring system to track compliance with sugar factory lease agreements	Monitoring system operationalised	Lease Agreement Monitoring Framework	Monitoring framework completion (%)	100%	100%			2			2	D-MRPP	D-F&CP D-FM SDAS D-R&C
			Monitoring reports	No. of monitoring reports	3	1	1	1	1	1	1	3	D-R&C	D-MRPP D-F&CP D-FM

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	7.2.4 Create awareness on financial literacy among relevant industry stakeholders	Financial literacy awareness created	Awareness forums report	No. of awareness forums	16	4	4	4	2	2	2	6	D-FM	D-F&CP
	7.2.5 Develop and implement a sugar crop insurance scheme in collaboration with stakeholders and the private sector	Sugar crop insurance scheme developed and implemented	Insurance Scheme in place	Product development completion (%)	100%		100%			2	2	4	D-MRPP	D-SDAS D-FM
			Uptake report	No. of value chain farmers enrolled	5000		2500	2500		2	2	4	D-SDAS	D-MRPP
Strategic Issues 6: Inadequate institutional resources, capacity and governance systems														
Strategic Goal 6: A well-resourced, competent and accountable Board														
KRA 6: Institutional Development														
Outcome: Enhanced service delivery and stakeholder's satisfaction														
Strategic Objective 8: To enhance institutional capacity for effective service delivery and operational excellence														
8.1 Enhancing human capital	8.1.1 Develop and implement HR instruments and policies [HR Manual, Career Progression Manual, Code of Conduct, Coaching and Mentorship and HR Plan]	HR instruments & policies developed and implemented	HR Instruments	No. of instruments	4	3	-	1	36	-	15	51	D-HRA	DD-HRD, D-Fin
			Employee satisfaction Survey reports	No. of surveys	1		1			3.6		3.6	D-HRA	D-HRM
			Revised HR Plans	No. of reviews	2	1		1	1		1	2		
		HR instruments reviewed	Revised HR instruments	Review completion (%)	100%	100%						0	D-HR&A	DD-HRM
	8.1.2 Undertake workload analysis and implement recommendations	Workload analysis undertaken & recommendations implemented	Approved Workload Analysis Report	Workload analysis completion (%)	100%		100%			3		3	D-HR&A	DD-HRM
			Implementation Reports	Level of implementation (%)	100%		60%	40%						
	8.1.3 Develop and implement productivity and performance measurement framework	Performance measurement framework developed	Performance Measurement Framework	Framework completion (%)	100%	100%			1			1	D-HR&A	CEO Board of Directors
		Performance measurement framework implemented	Implementation Reports	No. of reports	2		1	1		2.5	2.5	5		

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
		Reward, recognition and sanction policy developed and operationalised	Recognition and Sanction Policy	Policy completion (%)	100%	100%			1			1		
			Implementation Reports	Level of policy implementation (%)	100%	100%	100%	100%	1	1	1	3		
	8.1.4 Implement staff competence development	Training Needs Assessment (TNA) conducted	Skills Gap Analysis Report	Skills Gap Analysis completion (%)	100%	100%			2			2	D-HR&A	DD-HRM
			TNA reports	No. of TNA reports	3	1	1	1	2	2	2	6		
			Approved Training Plans	No. of Training Plans	3	1	1	1				0		
		Staff competency developed	Training Impact Assessment (TIA) reports	No. of assessments	3	1	1	1	2	5	5	12		
		Coaching and mentorship framework implemented	Implementation Reports	Level of implementation (%)	100%	100%	100%	100%	2	2	2	6		
	8.1.5 Undertake culture survey and implement culture change program	Culture survey undertaken	Culture Survey Report	No. of surveys	1	1			5			5	D-HR&A	DD-HRM
		Culture change program implemented	Implementation Reports	Level of implementation (%)	100%		50%	50%		25	25	50		
8.2 Promoting conducive work environment	8.3.1 Conduct work environment survey and implement recommendations	Survey conducted and recommendations implemented	Work environment survey reports	No. of surveys	2	1		1	3		3	6	D-HR&A	DD-HRD
			Implementation reports	Level of implementation (%)	100%	100%	100%	100%	50	50	50	150		
	8.3.2 Implement Occupational Safety and Health Act	OSHE policy developed	OSHE Policy	Policy completion (%)	100%	100%			2			2		
		OSHE policy implemented	Implementation reports	Level of implementation (%)	100%	100%	100%	100%	5	5	5	15		
			WIBA cover	No. of covers	3	1	1	1	3	3	3	9		
			Group Life Insurance cover	No. of covers	3	1	1	1	8	8	8	24		

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
<b>8.4 Fostering a knowledge management culture</b>	8.4.1 Develop and implement Knowledge Management Framework and Strategy (KMFS)	KMFS developed	KMFS	KMFS completion (%)	100%	100%			10			10	D-HR&A	DD-HRD, DD-Plan, DD-ICT
		Succession plan developed	Succession Plan	No. of reviews of succession plan	3	1	1	1				0		
		Knowledge Management repository operationalized	KM repository	KM repository completion (%)	100%		100%			2		2		
			Implementation reports	Level of implementation (%)	100%		100%	100%		3	3	6		
	8.4.2 Develop and implement Public Relations Management Framework (PRMF)	PRMF developed and implemented	PRMF	PRMF Completion (%)	100%	100%					2	2	DD-Corp Com	D-HR&A
			Corporate Social Responsibility (CSR) Reports	No. of CSR activities	3	1	1	1	2	2	2	6		
			Media Relations Plan (MRP)	Completion of Media Relations Plan (%)	100%	100%			1			1		
			Strategic Partnership delivery reports	No. of partnerships	3	1	1	1	1	0.33	0.33	1.66		
			Customer service weeks reports	No. of customer service weeks	3	1	1	1	0.5	0.5	0.5	1.5		
			Online self-service points	Self-service points completion (%)	100%	100%			2.5			2.5	DD-Corp Com	DD-ICT
	8.4.3 Develop strategic brand partnerships	Strategic brand partnerships developed	Partnership Agreement	No. of partnership agreements	1	1			1			1	DD-Corp Com	D-HR&A
	8.4.4 Conduct Stakeholder perception and satisfaction surveys	Stakeholder perception and satisfaction surveys undertaken	Survey Reports	No. of surveys	2	1		1	3		3	6	DD-Corp Com	D-HR&A
		Implement recommendations of the survey	Implementation Reports	Level of implementation (%)	100%	50%	75%	100%				0		
<b>8.5 Operationalising resource mobilisation</b>	8.5.1 Develop and operationalise resource mobilisation strategy	Resource mobilisation strategy operationalised	Strategy	Strategy completion (%)	100%	100%			1.5			1.5	D-FMD, D-Fin	DD-Fin, DD-FMD
			Implementation Reports	Level of implementation (%)	100%	100%	100%	100%				0		

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	8.5.2 Develop and operationalise Internal Finance Policy and Procedure Manual	Internal Finance Policy and Procedure Manual developed and implemented	Policy & Procedure Manuals	Policy & Procedure Manuals completion (%)	100%	1			1.5			1.5	D-Fin	DD-Fin
			Implementation Reports	Level of implementation (%)	100%	100%	100%	100%				0		
	8.5.3 Implement prudent systems for financial control and accountability	Systems implemented	Implementation Reports	Level of implementation (%)	100%	100%	100%	100%	7	7	7	21	D-Fin	DD-Fin
	8.5.4 Develop and operationalise Procurement Guidelines and Plans	Procurement Guidelines & Plans developed and implemented	Procurement Guidelines	Guidelines completion (%)	100%	100%							DD-SCM	D-Fin
			Procurement Plans	No. of Plans	3	1	1	1						
8.6 Strengthening the Board's corporate governance.	8.6.1 Implement corporate governance in line with prevailing legislations and government guidelines	Corporate governance Implemented	Governance Framework	Governance frameworks completion (%)	100%	100%			2			2	D-Legal	
			Board of Directors Work Plans	No. of work plans	3	1	1	1	1	1	1	3		
			Board Evaluation Reports	No. of reports	2		1	1		5	5	10		
			Report on Certified Board Members	Proportion of certified Board Members	100%	100%	100%	100%	3.5	1	1	5.5		
	8.6.2 Conduct legal and governance compliance audits	Legal and governance compliance audits conducted	Audit Reports	No. of audits	2		1	1		2.5	1	3.5	D-Legal	
		Audit recommendations implemented	Implementation Reports	% of recommendations implemented	100%			100%			5	5		
	8.6.3 Develop and implement an Internal Audit and Risk Assurance Framework (IARAF)	IARAF developed & implemented	IARAF	Framework completion (%)	100%	100%			5			5	D-Audit	
			Audit Workplans	No. of Audit Workplans	3	1	1	1				0		
			Internal Audit Reports	No. of internal audits	3	1	1	1	1	1	1	3		

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	8.6.4 Develop and implement Quality Management Systems (QMS)	QMS developed and implemented	Quality Assurance and Improvement Program (QAIP) report	No. of QAIP reports	3	1	1	1				0		
			QMS Report	QMS completion (%)	100%	100%			23			23	D-Audit	
			Implementation Reports	Level of implementation (%)	100%	100%	100%	100%	15	3.8	3.8	22.6		
	8.6.5 Develop and implement KSB ICT roadmap	ICT roadmap developed and implemented	QMS Surveillance Audit reports	No. of reports	2		1	1		6	6	12	DD-ICT	D-Fin
			ICT Roadmap	Roadmap completion (%)	100%	100%			5			5		
			Server upgrade report	Upgrade completion (%)	100%	100%			20			20		
			Procurement Reports of Computers	No. of reports	3	1	1	1	50	50	50	150		
			Local Area Network upgrade reports	No. of reports	3	1	1	1	20	20	20	60		
			Software licenses procurement report	No. of reports	3	1	1	1	20	20	20	60		
			Network security enhancements reports	No. of reports	3	1	1	1	10	10	10	30		
			Network monitoring tools reports	No. of reports	3	1	1	1	5	5	5	15		
			Enterprise Resource Planning (ERP) system upgrade reports	No. of reports	3	1	1	1	30	20	20	70		
			IMIS upgrade reports	No. of reports	3	1	1	1	150	50	50	250		
			Sugar Traceability System	Sugar Traceability System completion (%)	100%		50%	50%		100	100	200		
	8.6.6 Develop & implement an ICT governance framework	ICT Governance framework developed	ICT Governance Framework	Framework completion (%)	100%	100%			3	3	3	9	DD-ICT	D-Fin

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Targets				Budget (Ksh Millions)				Responsibility	
					Overall Target	2025 /26	2026 /27	2027 /28	2025/26	2026/27	2027/28	Total	Lead	Support
	8.6.7 Develop and implement a Disaster Recovery Plan (DRP)	DRP developed and implemented	Implementation reports	No. of reports	3	1	1	1						
			DRP	Completion of DRP (%)	100%	100%			1			1	DD-ICT	D-Fin
			Implementation Reports	Level of implementation (%)	100%	40%	40%	20%	20	20	20	60		
8.7 Strengthening corporate planning, monitoring and evaluation	8.7.1 Implement M&E framework of the Strategic Plan 2025-2029	M&E framework implemented	Quarterly M&E Reports	No. of reports	12	4	4	4				0	DD-Plan	D-Fin
			Annual Progress Review Reports	No. of reports	3	1	1	1	0.5	0.5	0.5	1.5		
			Evaluation reports	Mid-Term evaluation completion (%)	100%		100%			3		3		
				End-Term evaluation completion (%)	100%			100%			3	3		
	8.7.2 Implement performance management for the Board.	Performance management implemented	Quarterly PC Reviews Report	No. of reports	12	4	4	4	5	5	5	15	DD-Plan	D-Fin
			Mid-Year Staff Reviews Report	Proportion of staff reviewed (%)	100%	100%	100%	100%				0		
			Annual Staff Appraisals Report	Proportion of staff appraised (%)	100%	100%	100%	100%				0		
	8.7.3 Develop and implement Enterprise Risk Management (ERM) framework	ERM framework developed and implemented	ERM Framework	Framework completion (%)	100%	100%			5			5	D-Audit	
			Risk register updates	No. of annual updates	3	1	1	1				0		
			Board & Senior Management Risk training reports	No. of trainings	1		1			7		7		
			Directorate Risk Champions in	No. of Champions	10	10	10	10				0		
			ERM sensitisation report	Proportion of staff sensitized	100%	30%	60%	100%	1	1	1	3		
			Risk monitoring & assessment reports	No. reports	3	1	1	1	0.5	0.5	0.5	1.5		
8.8 Automating business processes	8.8.1 Digitise records management	Records management digitised	Digitisation report	Level of implementation (%)	100%	30%	60%	100%	5	5	5	15	DD-ICT	D-Fin



## 9.2 Appendix II: Annual Work Plan for 2025/2026

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
Strategic Issues 1: Declining farm-level productivity of cane								
Strategic Goal 1: Increased production and productivity of sugarcane								
KRA 1: Sugarcane Productivity								
Outcome 1: Improved cane production and yield per unit of land.								
Strategic Objective 1: To increase average national sugarcane yield from 75 to 85 TCH by 2027								
1.1 Rehabilitating soils in the sugarcane growing zones	1.1.1 Develop and implement an integrated soil fertility management strategy	Soil fertility strategy developed and implemented	Strategy Report	Completion of Strategy development (%)	100%	0.2	MRPP	SDAS
			Baseline Study Report	Completion of baseline study (%)	100%	10		
1.2 Promoting sustainable land use practices	1.2.1 Develop and promote a sustainable land intensification strategy	Strategy developed and implemented	Strategy Report	Completion of Strategy (%)	100%		MRPP	SDAS
1.3 Promoting Good Agricultural Practices (GAPs)	1.3.1 Establish demonstration centres and learning sites	Demo sites established	Locations of the demo sites	No. of demo sites	4	12	SDAS	
	1.3.2 Identify and prioritise capacity gaps in sugarcane production amongst stakeholders	Gaps in sugarcane production identified and prioritised	Gap Analysis Report	Completion of gap analysis (%)	100%	2	Corp Com	SDAS
	1.3.3 Develop and disseminate multimedia content on the identified gaps	Multimedia content developed and disseminated	Video documentaries, farmer testimonials and animated explainers	Annual dissemination Reports	1	2		
1.4 Leveraging geo-spatial intelligence to drive precision agriculture	1.4.1 Develop and roll out Sugar Visual Integrated Smart Technology (SugarVISTA) satellite-based field mapping	SugarVISTA developed and rolled out	Concept Note	Completion of SugarVISTA Concept Note	100%	180	MRPP	SDAS, ICT
			Specification system report	Completion of specification System (%)	100%			
				20yr 4per year	4			

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
Strategic Issue 2: Sub-optimal factory sugar production								
Strategic Goal 2: Enhanced efficiency in sugar production								
KRA 2: Sugar Production								
Outcome 2: Increased national sugar output								
Strategic Objective 2: To promote efficiency in sugar production								
2.1 Operationalizing the Quality-Based Cane Payment System (QBCPS)	2.1.1 Develop and submit regulatory framework for QBCPS	Regulatory framework developed and submitted	Approved Regulation	Completion of approved regulation	100%	10	R&C	LS, SDAS
	2.1.2 Develop and operationalise Concept Note on the optimal utilisation of the CTUs	Concept Note developed and operationalised	Implementation Reports	Completion & operationalisation	100%	5		
Strategic Issues 3: Weak regulatory framework and enforcement leading to non-compliance								
Strategic Goal 3: Strengthened regulatory framework in the sugar industry								
KRA 3: Industry Regulation								
Outcome 3								
□ Fair, orderly and competitive industry.								
□ Quality, safe and fairly priced products.								
Strategic Objective 3: To create an enabling legal, regulatory and compliance framework for the sugar industry								
3.1 Strengthening industry policies and regulations	3.1.1 Develop sugar regulations and policies	Sugar Regulations and Policies developed	Regulations & Policies	Completion of regulations and policies (%)	50%	30	D-R&C	D-Legal
	3.1.2 Review existing sugar regulations and policies	Sugar regulations and policies reviewed	Revised regulations & policies	Completion of reviews (%)	25%	20	D-R&C	D-Legal
	3.1.3 Harmonise sugar regulations and policies with regional and international regulations and policies	Sugar regulations and policies harmonised	Harmonised regulations & policies	Completion of harmonisation (%)	25%	5	D-R&C	D-Legal
3.2 Establishing and enforcing industry	3.2.1 Develop industry Codes of Practice Manuals for sugar in collaboration with relevant stakeholders	Industry Codes of Practice Manuals developed	Codes of Practice Manuals	Completion of Codes of Practice Manuals	25%	20	D-R&C	D-Legal

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
<b>standards and codes of practice</b>	3.2.2 Sensitise value chain players on Codes of Practice Manuals	Value chain players sensitised	Sensitisation Reports	No. of sensitisation forums	2	20		
	3.2.3 Carry out regular compliance audits and assessments on sugar industry players on Codes of Practice Manuals	Compliance audits conducted	Audit Reports	No. of compliance audits	12	15		
<b>3.3 Enhancing inspection, surveillance and monitoring mechanisms.</b>	3.3.1 Conduct routine inspections, surveillance and intelligence gathering across the value chain and analyse surveillance reports for informed decision-making	Surveillance and inspection conducted	Actioned surveillance & intelligence reports	No. of surveillance and inspections conducted	20	20	D-R&C	
	3.3.2 Integrate licensing data with other regulatory systems for inspection and compliance monitoring	Licensing data systems integrated	Integration reports	No. of data system integrated	1	5	D-R&C	DD-ICT
<b>Strategic Issues 4:</b> Weak linkage of research, innovation, diversification, modern technology adoption and limited partnerships								
<b>Strategic Goal 4:</b> Enhanced collaboration in research, partnerships and diversification for industry competitiveness								
<b>KRA 4: Research, Partnerships and Industry Diversification</b>								
<b>Outcomes</b> <ul style="list-style-type: none"> <li>□ Increased evidence-based policy decisions in the sugar industry</li> <li>□ Enhanced collaboration and innovation ecosystem that drives research uptake, technology adoption, and diversification.</li> <li>□ Strengthened, efficient, and sustainable farmers' organisations</li> </ul>								
<b>Strategic Objective 4: To provide credible industry data for informed decision-making</b>								
<b>4.1 Monitoring local and global market trends and providing timely information to stakeholders</b>	4.1.1 Develop and implement predictive and simulation models	Predictive simulation models developed & implemented	Predictive simulation models in place	Model completion (%)	100%	3	D-MRPP	D-F&CP
			Implementation reports	Level of implementation (%)	100%			
	4.1.2 Publish and circulate Sugar Industry Yearbook of Statistics	Sugar Industry Yearbook of Statistics published and circulated	Yearbook	No. of publications	1	1	D-MRPP	D-SDAS
	4.1.3 Conduct Geographic Information System (GIS) and Remote Sensing (RS)-enabled sugarcane availability survey	GIS and RS enabled sugarcane mapping conducted	Mapping reports	No. of cane availability surveys	1	6	D-MRPP	D-SDAS DD-ICT

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
<b>4.2 Promoting adoption of new technologies in sugarcane mapping and yield prediction</b>	4.2.1 Establish a Centralised Remote Sensing and GIS data hub	Data hub established	Data hub	Data hub completion (5)	100%	10	D-MRPP	DD-ICT
	4.2.2 Implement GIS, remote sensing and AI analytics in sugarcane mapping and yield prediction	Mapping and yield prediction models implemented	Implementation Reports	No. of reports	4	2	D-MRPP	D-SDAS DD-ICT
	4.2.3 Operationalise Near-Real-Time (NRT) monitoring of sugarcane farms	NRT monitoring operationalised	NRT monitoring reports	Proportion of NRT coverage wrt total cane acreage	10%	10	D-MRPP	DD-ICT
<b>Strategic Objective 5: To promote strategic partnerships in research and innovation for industry diversification</b>								
<b>5.1 Promoting value addition and diversification</b>	5.1.1 Develop and implement a strategy for promoting sugar beet value chain	Sugar beet value chain strategy developed and implemented	Strategy	Strategy completion (%)	100%	2	D-MRPP	D-SDAS D-R&C
	5.1.2 Develop and implement an ethanol promotion master plan	Ethanol promotion master plan developed and implemented	Master Plan	Master Plan completion (%)	100%	4	D-MRPP	D-SDAS D-R&C
<b>5.2 Promoting trade and investment in the sugar industry value chain</b>	5.2.1 Facilitate establishment of a multi-stakeholder sugar industry marketing caucus to coordinate strategic market interventions, policy alignment, and trade promotion efforts	Multi-stakeholder sugar marketing caucus established	Multi-stakeholder sugar marketing caucus	Caucus establishment (%)	100%	2	D-MRPP	D- R&C DD-CC
		Implementation of recommended activities	Implementation Reports	Level of implementation (%)	100%			
	5.2.2 Conduct a baseline study to quantify informal trade volumes, routes, and actors to identify formalisation opportunities/mitigation measures	A baseline study conducted	Baseline Report	Baseline completion (%)	100%	3	D-MRPP	D-R&C
<b>5.3 Promoting research and innovations in the sugar industry</b>	5.3.1 Develop and implement a strategy to institutionalise Science, Technology, and Innovation (STI)	STI Strategy developed & implemented	Strategy	Strategy completion (%)	100%	20	D-MRPP	D-SDAS DD-ICT
			Implementation Reports	Level of implementation (%)	100%			
	5.3.2 Conduct a gap analysis to identify critical research areas	Gap analysis conducted	Gap analysis report	Gap analysis completion (%)	100%	2	D-MRPP	D-SDAS
	5.3.3 Establish strategic collaborations for promoting research and	Strategic collaborations established	Collaboration Frameworks	No. of active collaboration frameworks	2	1	D-MRPP	D-LS D-SDAS

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
	innovation in the sugar value chain							
5.4 Supporting low-cost innovations for smallholder farmers	5.4.1 Collaborate with other industry players to promote appropriate innovations (e.g. planters, sprayers, weeding tools)	Innovations promoted	Innovation reports	No. of approved innovations	1	2	SDAS	MRPP
	5.4.2 Support MSMEs in fabrication to commercialise innovations	MSMEs supported	Innovations Commercialisation Reports	No. of MSMEs supported	2	3		
Strategic Objective 6: To strengthen sugarcane farmer organisations for operational efficiency and sustainability								
6.1 Strengthening the institutional capacity and governance of sugarcane farmer organisations.	6.1.1 Develop and cascade Out-grower Operations Manual for implementation	Manual developed and adopted	Out-grower Operations Manual	Manual completion (%)	100%	1.5	D-MRPP	D-R&C D-SDAS
			Adoption Reports	Proportion of farmer organisations adopting the manual (%)	50%	1.5	D-R&C	D-MRPP D-SDAS
	6.1.2 Develop a register of sugarcane farmers' organisations	Farmers organisations register developed	Farmer Organisations Register	Register completion	100%	1	D-R&C	D-SDAS
	6.1.3 Build capacity of sugarcane growers' organisations for increased coordination and participation in the value chain	Sugarcane growers' organisations capacity built	Capacity Building Reports	Proportion of organisations trained (%)	25%	3	D-MRPP	D-FM D-R&C D-SDAS D-LS
Strategic Issues 5: Limited mainstreaming of cross-cutting issues in the industry								
Strategic Goal 5: A sustainable sugar industry								
KRA 5: Industry Sustainability								
Outcome 5: A resilient, inclusive, and environmentally responsible sugar industry that meets global sustainability standards								
Strategic Objective 7: To drive environmental and social sustainability								
7.1 Mainstreaming ESG compliance and sustainability in sugar industry	7.1.1 Develop ESG scorecards for industry players as part of annual performance reviews.	ESG scorecard developed	ESG Scorecards	Scorecard completion (%)	100%	2	D-MRPP	D-R&C D-SDAS D-LS
	7.1.2 Conduct capacity building for women and youth to participate in sugar crop farming and agro-processing	Women & youth capacity building conducted	Program Reports	No. of programs	5	2	D-SDAS	D-HRA
			Strategy	Strategy completion (%)	100%			

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
	7.1.3 Develop and implement Sugar Industry Climate Change Mitigation and Adaptation Strategy	Mitigation & Adaptation Strategy developed & implemented	Implementation Reports	No. of reports	1	10	D-MRPP	D-SDAS
			Sensitisation Reports	No. of sensitization and awareness campaigns	20	3	D-SDAS	D-MRPP DD-CC
	7.1.4 Establish a Climate Change Information and Learning hub for the industry	Climate Change Information and Learning hub established	The Hub	Hub completion (%)	50%	5	D-MRPP	D-SDAS
	7.1.5 Formulate & operationalise a Strategic Plan for the sugar industry in collaboration with stakeholders	Industry Strategic Plan developed and operationalised	Strategic Plan	Strategic Plan completion (%)	100%	10	DD-CP	D-MRPP D-SDAS D-R&C
7.2 Facilitating value chain financing	7.2.1 Develop and operationalise a mechanism for sugarcane bonus payment	Sugarcane bonus payment mechanism developed and operationalised	Bonus Payment Mechanism	bonus payment mechanism completion (%)	100%	2	D-MRPP	D-SDAS
			Bonus payment report	No. of bonus payment reports	1	1	D-MRPP	D-SDAS D-FM D-F&CP
	7.2.2 Develop and operationalise a monitoring system to track compliance with sugar factory lease agreements	Monitoring system operationalised	Lease Agreement Monitoring Framework	Monitoring framework completion (%)	100%	2	D-MRPP	D-F&CP D-FM SDAS D-R&C
			Monitoring reports	No. of monitoring reports	1	1	D-R&C	D-MRPP D-F&CP D-FM
	7.2.3 Create awareness on financial literacy among relevant industry stakeholders	Financial literacy awareness created	Awareness forums report	No. of awareness forums	4	2	D-FM	D-F&CP
Strategic Issues 6: Inadequate institutional resources, capacity and governance systems								
Strategic Goal 6: A well-resourced, competent and accountable Board								
KRA 6: Institutional Development								
Outcome: Enhanced service delivery and stakeholder's satisfaction								
Strategic Objective 8: To enhance institutional capacity for effective service delivery and operational excellence								
8.1 Enhancing human capital	8.1.1 Develop and implement HR instruments and policies [HR Manual, Career Progression Manual, Code of Conduct, Coaching and Mentorship and HR Plan]	HR instruments & policies developed and implemented	HR Instruments	No. of instruments	3	36	D-HRA	DD-HRD, D-Fin
			Revised HR Plans	No. of reviews	1	1		
		HR instruments reviewed	Revised HR instruments	Review completion (%)	100%		D-HR&A	DD-HRM

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
		Yr 1 - HR instruments, HR manual, Career progression manual Yr 2 - Code of conduct, Coaching and mentorship and HR Plan Yr 3 - Implementation,						
	8.1.2 Develop and implement productivity and performance measurement framework	Performance measurement framework developed	Performance Measurement Framework	Framework completion (%)	100%	1	D-HR&A	CEO Board of Directors
		Reward, recognition and sanction policy developed and operationalised	Recognition and Sanction Policy	Policy completion (%)	100%	1		
			Implementation Reports	Level of policy implementation (%)	100%	1		
	8.1.3 Implement staff competence development	Training Needs Assessment (TNA) conducted	Skills Gap Analysis Report	Skills Gap Analysis completion (%)	100%	2	D-HR&A	DD-HRM
			TNA reports	No. of TNA reports	1	2		
			Approved Training Plans	No. of Training Plans	1			
		Staff competency developed	Training Impact Assessment (TIA) reports	No. of assessments	1	2		
		Coaching and mentorship framework implemented	Implementation Reports	Level of implementation (%)	100%	2		
	8.1.4 Undertake culture survey and implement culture change program	Culture survey undertaken	Culture Survey Report	No. of surveys	1	5	D-HR&A	DD-HRM
8.2 Promoting a conducive work environment	8.2.1 Conduct work environment survey and implement recommendations	Survey conducted and recommendations implemented	Work environment survey reports	No. of surveys	1	3	D-HR&A	DD-HRD
			Implementation reports	Level of implementation (%)	100%	50		
	8.2.2 Implement Occupational Safety and Health Act	OSHE policy developed	OSHE Policy	Policy completion (%)	100%	2		
		OSHE policy implemented	Implementation reports	Level of implementation (%)	100%	5		
			WIBA cover	No. of covers	1	3		
			Group Life Insurance cover	No. of covers	1	8		

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
<b>8.3 Fostering a knowledge management culture</b>	8.3.1 Develop and implement Knowledge Management Framework and Strategy (KMFS)	KMFS developed	KMFS	KMFS completion (%)	100%	10	D-HR&A	DD-HRD, DD-Plan, DD-ICT
		Succession plan developed	Succession Plan	No. of reviews of succession plan	1			
	8.3.2 Develop and implement Public Relations Management Framework (PRMF)	PRMF developed and implemented	PRMF	PRMF Completion (%)	100%		DD-Corp Com	D-HR&A
			CSR Reports	No. of CSR activities	1	2		
			Media Relations Plan (MRP)	Completion of Media Relations Plan (%)	100%	1		
			Strategic Partnership delivery reports	No. of partnerships	1	1		
			Customer service weeks reports	No. of customer service weeks	1	0.5		
			Online self-service points	Self-service points completion (%)	100%	2.5	DD-Corp Com	DD-ICT
	8.3.3 Develop strategic brand partnerships	Strategic brand partnerships developed	Partnership Agreement	No. of partnership agreements	1	1	DD-Corp Com	D-HR&A
	8.3.4 Conduct Stakeholder perception and satisfaction surveys	Stakeholder perception and satisfaction surveys undertaken	Survey Reports	No. of surveys	1	3	DD-Corp Com	D-HR&A
		Implement recommendations of the survey	Implementation Reports	Level of implementation (%)	50%			
<b>8.4 Operationalising resource mobilisation</b>	8.4.1 Develop and operationalise resource mobilisation strategy	Resource mobilisation strategy operationalised	Strategy	Strategy completion (%)	100%	1.5	D-FMD, D-Fin	DD-Fin, DD-FMD
			Implementation Reports	Level of implementation (%)	100%			
	8.4.2 Develop and operationalise Internal Finance Policy and Procedure Manual	Internal Finance Policy and Procedure Manual developed and implemented	Policy & Procedure Manuals	Policy & Procedure Manuals completion (%)	1	1.5	D-Fin	DD-Fin
			Implementation Reports	Level of implementation (%)	100%			
	8.4.3 Implement prudent systems for financial control and accountability	Systems implemented	Implementation Reports	Level of implementation (%)	100%	7	D-Fin	DD-Fin
	8.4.4 Develop and operationalise Procurement Guidelines and Plans	Procurement Guidelines & Plans developed and implemented	Procurement Guidelines	Guidelines completion (%)	100%		DD-SCM	D-Fin
			Procurement Plans	No. of Plans	1			
<b>8.5 Strengthening the Board's corporate governance.</b>	8.5.1 Implement corporate governance in line with prevailing legislations and government guidelines	Corporate governance Implemented	Governance Framework	Governance frameworks completion (%)	100%	2	D-Legal	
			Board of Directors Work Plans	No. of work plans	1	1		



Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
	8.5.2 Develop and implement an Internal Audit and Risk Assurance Framework (IARAF)	IARAF developed & implemented	Report on Certified Board Members	Proportion of certified Board Members	100%	3.5		
			IARAF	Framework completion (%)	100%	5	D-Audit	
			Audit Workplans	No. of Audit Workplans	1			
			Internal Audit Reports	No. of internal audits	1	1		
			Quality Assurance and Improvement Program (QAIP) report	No. of QAIP reports	1			
	8.5.3 Develop and implement Quality Management Systems (QMS)	QMS developed and implemented	QMS Report	QMS completion (%)	100%	23	D-Audit	
			Implementation Reports	Level of implementation (%)	100%	15		
	8.5.4 Develop and implement KSB ICT roadmap	ICT roadmap developed and implemented	ICT Roadmap	Roadmap completion (%)	100%	5	DD-ICT	D-Fin
			Server upgrade report	Upgrade completion (%)	100%	20		
			Procurement Reports of Computers	No. of reports	1	50		
			Local Area Network upgrade reports	No. of reports	1	20		
			Software licenses procurement report	No. of reports	1	20		
			Network security enhancements reports	No. of reports	1	10		
			Network monitoring tools reports	No. of reports	1	5		
			Enterprise Resource Planning (ERP) system upgrade reports	No. of reports	1	30		
			IMIS upgrade reports	No. of reports	1	150		
	8.5.5 Develop & implement an ICT governance framework	ICT Governance framework developed	ICT Governance Framework	Framework completion (%)	100%	3	DD-ICT	D-Fin
			Implementation reports	No. of reports	1			
	8.5.6 Develop and implement a Disaster Recovery Plan (DRP)	DRP developed and implemented	DRP	Completion of DRP (%)	100%	1	DD-ICT	D-Fin
			Implementation Reports	Level of implementation (%)	40%	20		
8.6 Strengthening corporate planning, monitoring and evaluation	8.6.1 Implement M&E framework of the Strategic Plan 2025-2029	M&E framework implemented	Quarterly M&E Reports	No. of reports	4		DD-Plan	D-Fin
			Annual Progress Review Reports	No. of reports	1	0.5		
	8.6.2 Implement performance management for the Board.	Performance management implemented	Quarterly PC Reviews Report	No. of reports	4	5	DD-Plan	D-Fin
			Mid-Year Staff Reviews Report	Proportion of staff reviewed (%)	100%			

Strategies	Key Activities	Expected Output	Mean of Verification	Output Indicators	Target	Budget Ksh. Mn	Responsibility	
							Lead	Support
	8.6.3 Develop and implement Enterprise Risk Management (ERM) framework	ERM framework developed and implemented	Annual Staff Appraisals Report	Proportion of staff appraised (%)	100%			
			ERM Framework	Framework completion (%)	100%	5	D-Audit	
			Risk register updates	No. of annual updates	1			
			Directorate Risk Champions in	No. of Champions	10			
			ERM sensitisation report	Proportion of staff sensitized	30%	1		
			Risk monitoring & assessment reports	No. reports	1	0.5		
<b>8.7 Automating business processes</b>	8.7.1 Digitalise records management	Records management digitised	Digitisation report	Level of implementation (%)	30%	5	DD-ICT	D-Fin

## 9.3 Appendix III: Risk Rating Scale

Likelihood Measure	Score	Low	Moderate	High
	Descriptive	Rare incidents or occasional Incidents	Isolated incidents	Repeated or frequent incidents
	Time	Occurs once or twice a year	Occurs quarterly	Occurs weekly or monthly
	Probability	Less than 10%	10% to 20%	Greater than 20%
	Colour Scale			
Impact/Severity Scale				
Severity Measure	Score	Low	Moderate	High
	Reputational	Negligible or limited reputational damage without publicity for instance hearsay or rumour mill	Significant reputational damage with localized publicity and a short-term image crisis	Severe or catastrophic reputational damage with regional to national publicity and a medium-term to long-term image crisis
	Financial	Results in loss estimated below KSh 2 million	Results in loss estimated to range between KSh 2 million and KSh 5 million	Results in loss estimated at KSh 5 million and above
	Operational	Negligible or limited impediment to function causing little or manageable impact on operations	Significant impediment to function causing considerable impact to operations	Severe impediment to catastrophic consequence on functions causing serious or irreversible impact to operations
	Colour Scale			
Control Effectiveness Rating Scale				
Control Effectiveness Measure	Score	Low	Moderate	High
	Control	Either no control in place or controls are ineffective	Controls are partially effective	Controls are effective or highly effective on almost all occasions
	Description			