



Commodities Fund

INSTITUTIONAL BACKGROUND

The Commodities Fund was established under the Crops Act 2013 (amended May 2016), Article 9 (1). The mandate of the Fund is to provide sustainable and affordable credit and advances to farmers for farm improvement, farm inputs, farming operations, price stabilization and any other lawful purpose approved by the Authority.

The Fund is the successor of previous agricultural sector Funds: Coffee Development Fund and Sugar Development Fund that ceased to be following the enactment of Crops Act 2013. The Fund was operationalized on 1st August 2014. The Fund is one of the SAGAs within the Ministry of Agriculture, Livestock and Fisheries is expected to contribute enormously towards the achievement of the Ministry strategic objectives relating to crop development through provision of affordable credit to farmers.

NATIONAL DEVELOPMENT AGENDA AND ROLE OF COMMODITIES FUND

Kenya's long-term development agenda is set out in the Kenya Vision 2030. The aim of the Vision is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle-income nation, providing high quality of life for all its citizens in a clean and secure environment. The Vision is anchored on three pillars namely: economic, social and political. The implementation of the Vision 2030 is through five-year Medium-Term Plans (MTPs).

Within the Third Medium Term Plan (MTP III) 2018-2022, the government endeavors to move the economy towards a high growth trajectory to achieve 10 percent economic growth rate by the end of the Plan period. To this end, the government has prioritized programmes and projects which will generate broad based inclusive

economic growth, faster job creation, reduction of poverty and inequalities. In addition, the government has identified four priority initiatives “The Big Four Agenda” namely: manufacturing, universal healthcare, affordable housing and food security to be achieved within the plan period.

The Kenya Development Agenda is in line with Sustainable Development Goals (SDGs) and the Africa Agenda 2063. Within the Africa Agenda 2063, the relevant goal is in Aspiration 1, Goal 5: Modern agriculture for increased productivity. In the SDGs, the relevant goals for ComFund are:

1. SDG 1: End Poverty in all its forms everywhere;
2. SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
3. SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; and
4. SDG 12: Ensure sustainable consumption and production patterns.

ComFund therefore has an important role to play towards the achievement of the SDGs, Africa Agenda 2063, Kenya Vision 2030 and The Big Four Agenda by supporting the crops sector through provision of affordable credit and advances across the value chain.

INSTITUTIONAL STRUCTURE

THE BOARD OF TRUSTEES

The Board of Trustees is responsible for providing overall leadership in the strategic, financial and departmental matters of the Fund. The functions of the Board are:

- i. Providing strategic guidance and oversight of the Fund;
- ii. Approving standards, guidelines and procedures for funding under the Act;
- iii. Approving credit administration policies;
- iv. Authorizing allocations from the Fund;
- v. Protecting the long-term viability of the Fund; and
- vi. Ensuring collection of Funds from sources set out under section 9(2) (a) of the Crops Act.

To efficiently discharge its role, the Board will be assisted by the following Committees:

- i. Finance, Staff and General Purposes Committee;
- ii. Credit Committee; and
- iii. Audit and Governance Committee.

MANAGING TRUSTEE

The Managing Trustee has the responsibility of ensuring proper and efficient management of the day-to-day operations of the Fund under the policy guideline of the Board of Trustees.

DEPARTMENTS AND DIVISIONS

To achieve its mandate, ComFund has two departments namely: Credit and Corporate Services. Each department is headed by a General Manager who reports to the Managing Trustee. The divisions under each department are:

- a. Credit Department
 - i. Resource Mobilization & Partnerships Division;
 - ii. Lending Division; and
 - iii. Debt Recovery Division.
- b. Corporate Services Department
 - i. Finance Division;

- ii. Human Resource and Administration Division;
- iii. Information & Communication Technology (ICT) Division.
- iv. Corporate Planning & Strategy Division; and
- v. Marketing and Corporate Communication Division.

Additionally, the Fund has two units that report directly to the Managing Trustee.

These units are:

- i. Corporation Secretary/Legal; and
- ii. Procurement.

Further, there is a Risk and Audit unit which reports functionally to the Board and administratively to the Managing Trustee.