

THE EXECUTIVE AGENCY (THE NATIONAL FOOD RESERVE AGENCY) (ESTABLISHMENT) ORDER, 2008

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The National Food Reserve Agency (NFRA) was established to establish the National Food Reserve Agency (NFRA) of Ethiopia. It originated from the transformation of the Strategic Grain Reserve (SGR). The main role of the Agency is to procure a reserve food.

THE EXECUTIVE AGENCIES ACT, 1997

(CAP. 245)

ORDER

(Made under section 3)

THE EXECUTIVE AGENCY, (THE NATIONAL FOOD RESERVE AGENCY)
(ESTABLISHMENT) ORDER, 2008

1. This Order may be cited as the Executive Agencies (National Food Reserve Agency) (Establishment) Order, 2008 and shall come into effect on the 1st day of July, 2008. Order, 2008.

2. There is hereby established the National Food Reserve Agency to be known by the acronym "NFRA" to take over functions performed by the Strategic Grain Reserve Unit of the Ministry of Agriculture Food Security and Cooperatives.

3. The governance, responsibilities, powers accountability and other matters relating to the National Food Reserve Agency shall be as provided for in the Executive Agencies Act and the Framework Documents set out in the Schedule to this Order.

SCHEDULE

(Made under paragraph 3)

THE NATIONAL FOOD RESERVE AGENCY (NFRA)

FRAMEWORK DOCUMENT

FOREWORD

I am pleased to establish the National Food Reserve Agency (NFRA), which has originated from the transformation of the Strategic Grain Reserve (SGR). The main role of the Agency is to procure, reserve food

stocks and respond to food shortages as opposed to roles of Strategic Grain Reserve which focused only in maize grain.

I would like to underscore that NFRA is still a public organisation. Therefore, the agency will strive to work for the public interest to satisfy customers' needs and tax payer's interest.

The Agency will cater its services under the Chief Executive in a more modern and advanced approach than before becoming an Executive Agency in managing its funds, properties and business.

In some please of the country of Tanzania, are still prone to drought and other natural disasters; the government is duty bound to make sure that food shortages caused by such disasters are thoroughly addressed using its modern management approach through this newly established organ

I wish to thank all officials who have been involved in the transformation process for their facilitation role and tireless efforts in making preparations necessary for the launching of the Agency.

As the Minister of Agriculture, Food Security and Cooperatives, I am confident that the Chief Executive and the entire staff of NFRA will meet the challenges that lie ahead and I wish them every success in their endeavour.

Dar es Salaam,
29th May, 2008
STEPHEN M. WASIRA,
*Minister for Agriculture,
Food Security and Co-operatives*

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1.0 INTRODUCTION

The origin of the National Food Reserve Agency (NFRA) goes back to the drought of 1973 – 1975 when Tanzania was hit by an acute food shortage. The country was unable to meet its food requirements and had to depend on imports and food aid.

The disaster made the Government realise the importance of establishing a food reserve organ and the need to have a sustainable solution to the problem. The Government sought a technical assistance from the Food and Agriculture Organization (FAO) of the United Nations, which, in response to the request, constituted a Food Review Mission (FSRM) in 1976. The Mission recommended the establishment of two units, the Crop Performance Surveillance System (CPSS), and the Strategic Grain Reserve (SGR), to be based in the Ministry of Agriculture and Cooperatives. SGR was put under the National Milling Corporation (NMC).

SGR remained under NMC until 1991 when the status of NMC was reviewed in line with the privatization of the parastatals/organizations. It was decided that the Strategic Grain Reserve be separated from NMC which was placed under divestiture.

In 1991, by Act No. 10 of Parliament, SGR was made a Section of the Food Security Department (FSD). In 2002, SGR was separated from FSD and became a Unit.

The Objectives of SGR at the time of its formation were:

- (i) Procurement and storage of 150,000mt of emergency Maize, sufficient to address a food shortage for a three (3) month period during which it was expected that food imports would be ordered and secured.
- (ii) Annual release of maize stocks to address disasters.
- (iii) Stock re-eyeling and stock release to stabilize food prices in the market.

The third objective was never achieved due to budget constraints and the de-control of the food markets which allowed participation of private traders in food marketing.

As part of the Public Service Reforms, SGR was transformed to an Executive Agency called "NATIONAL FOOD RESERVE AGENCY (NFRA)" under the Ministry of Agriculture Food Security and Cooperatives. The roles of the Agency are to Procure reserve food stocks and respond to food shortages in the country.

2.0 STATUS AND GOVERNANCE

2.1 Declaration of Agency Status

With effect from 1st July, 2008 the Order of establishing National Food Reserve Agency (NFRA) as an Executive Agency under the Ministry of Agriculture Food Security and Cooperative, in accordance with the Executive Agencies Act, No. 30 of 1997, came into Force. The Agency replaces the Strategic Grain Reserve Unit.

NFRA has been established to achieve the following objectives:-

- (i) To maintain a national optimal level of food reserve to address local food shortages and respond to immediate emergency food requirements.
- (ii) To have a well managed, business-like agency.

2.2 Governance.

The Minister for Agriculture Food Security and Cooperatives will appoint the Chief Executive for a term not exceeding five years or may be specified in the Instruments of the appointment. The Chief Executive shall

be directly answerable to the Permanent Secretary who will be responsible for policy and strategic management of NFRA and oversee the interests of the Ministry.

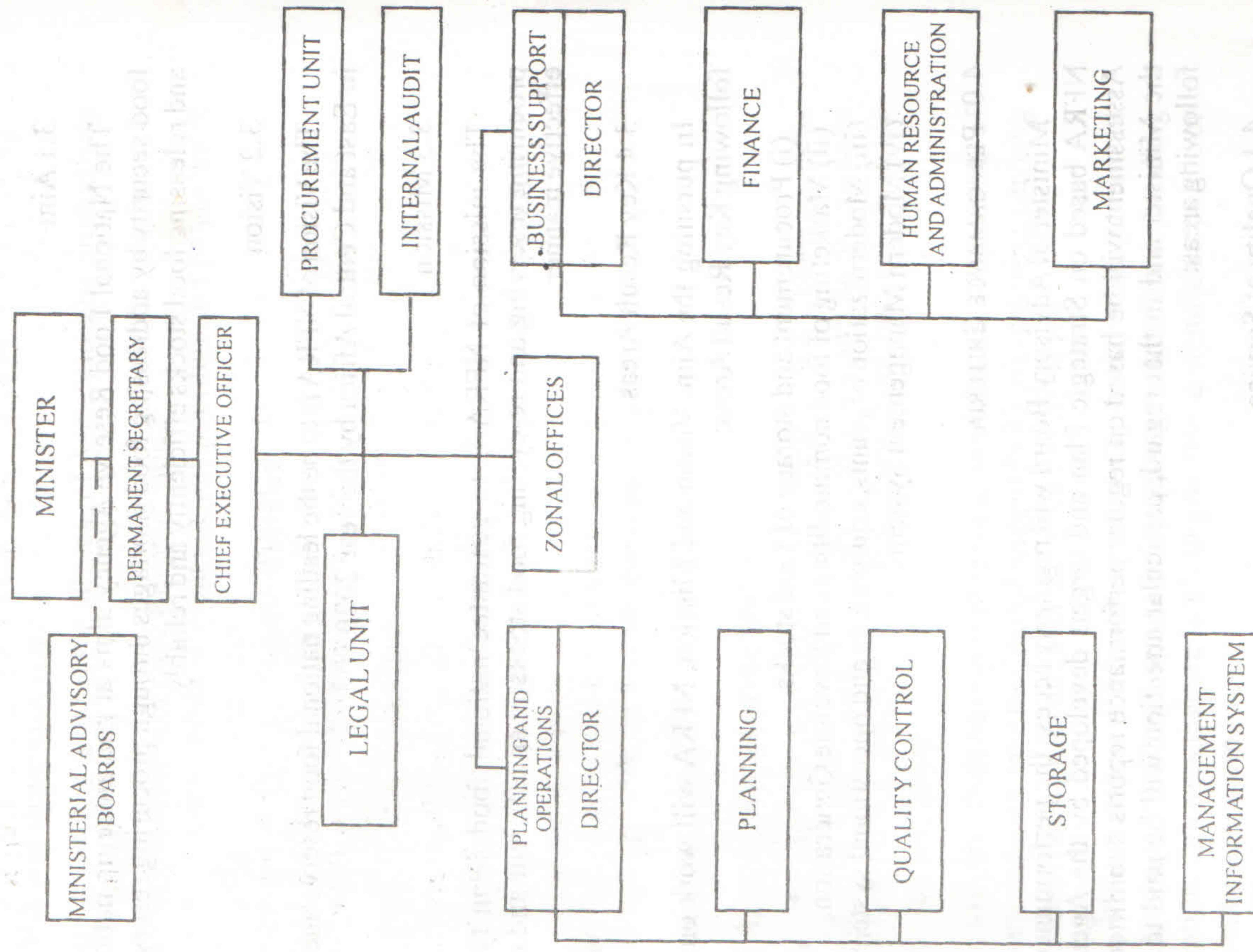
There shall be a Ministerial Advisory Board (MAB) that will advise the Minister on the direction and performance of NFRA.

2.3 Organisation Structure

At the time of launching, the Chief Executive is assisted by two Directors, three Heads of Units at the Head Office and Zonal Managers. The Chief Executive, Directors and Heads of Units will constitute the management team of the Agency.

The number and responsibilities of Directors, Managers and Heads of Units may be reviewed periodically according to the business needs of the Agency.

ORGANISATION STRUCTURE



3.0 AIM, VISION, MISSION AND KEY RESULT AREAS

3.1 Aim

The National Food Reserve Agency aims at guaranteeing national food security by addressing food shortages through procuring reserving and releasing food stocks efficiently and reliably.

3.2 Vision

The Vision of NFRA is to be the leading national food reserve agency in East and Central Africa by the year 2020.

3.3 Mission

The mission of NFRA is to guarantee national food security by procuring reserving and re-cycling food stocks in an efficient and cost effective manner.

3.4 Key Result Areas *(now in-house objectives)*

In pursuing the Aim, Vision and Mission, NFRA will work on the following Key Result Areas:

- (i) Procurement and storage of food stocks.
- (ii) Marketing of food commodities and Revenue Generation.
- (iii) Modernization of plants, equipments and operational systems.
- (iv) Modern Management Systems.

4.0 PERFORMANCE CRITERIA

Ministerial Advisory Board will regularly access the performance of NFRA based on Strategic Plan and targets developed by the Agency. Assessment will be based on regular performance reports submitted to the Minister and in that regard, particular attention will be paid to the following areas:

4.1 Quality of Service

- (i) NFRA will provide food commodities of high quality.
- (ii) Compliance with National and International obligations.
- (iii) In-house M&E for improvement of service and effective feedback by laws.
- (iv) Timely delivery of food commodity and reports.

4.2 Operational Efficiency

NFRA will strive to achieve:

- (i) Effective use of MIS in all areas of Agency to raise productivity levels.
- (ii) Improvement of cost: Revenue ratio.
- (iii) Use of best and transparent internal procedures for procurement of goods and services.
- (iv) Timely delivery of required service.

4.3 Financial Performance

NFRA will strive to achieve:

- (i) Clean Audit Reports.
- (ii) Timely and accurate production of financial reports.
- (iii) Effectiveness and transparency of procurement and stock control systems.
- (iv) Increase level of Investments.
- (v) Prompt collection of all revenues.

5.0 RESPONSIBILITIES

5.1 Responsibilities of the Minister

The Minister for Agriculture Food Security and Cooperatives is responsible for determining the Policy framework and the boundaries within which NFRA operates and financial resources that are to be made available to the Agency.

The Minister shall be responsible for general direction and control of the agency and shall have the general responsibility of organizing, carrying out and encouraging measures for development of NFRA.

The Minister shall not be involved in day-to-day management of NFRA. However, the Chief Executive may consult the Minister on handling of operational matters that are likely to give rise to significant public or parliamentary concern.

The Minister is responsible for appointing the Chief Executive and members of the Ministerial Advisory Board for the Agency, and for ensuring that the Government and the Public derive maximum benefit from creation of the Agency.

5.2 Responsibilities of the Permanent Secretary.

The Permanent Secretary of the Ministry of Agriculture Food Security and Cooperatives, being the Principal Accounting Officer, has the overall responsibility on matters related to voted funds. In relation to NFRA, the Permanent Secretary will.

- (i) Ensure that the Chief Executive is empowered accordingly to make sure that services expected from him are duly delivered.
- (ii) Ensure that boundaries in which the Agency is expected to operate are clearly defined and understood.
- (iii) Create and maintain the strategic interface that will enable the Chief Executive exercise his mandate to deliver the expected service.
- (iv) Approve achievable yet challenging key targets and agreed budgets and plans.
- (v) Participate in the selection of the Chief Executive.
- (vi) Provide the Agency with resources to match the level of services required.
- (vii) Ensure that the delegations and flexibilities required by the Chief Executive are provided.
- (viii) Monitor and measure the performance of the agency.
- (ix) Ensure that the Agency works in line with the Government's objectives for its establishment.

5.3 Responsibilities of the Chief Executive

The Chief Executive is responsible for managing NFRA within the terms of this Framework Document and the Executive Agency Act No. 30 of 1997, its amendment and regulations. The Chief Executive is the Agency's Accounting Officer and shall be specifically responsible for:—

- (i) The preparation and implementation of approved Strategic and Business Plans.
- (ii) Organizing and managing the assets of the Agency efficiently and effectively, and in accordance with government policies and principles.
- (iii) The setting of prices for products and services.
- (iv) The preparation and submission of performance reports to relevant Authorities.
- (v) Ensuring that all aspects of the management and organization are kept under review and that best suit NFRA business needs.

- (vi) Appointment, development and effective management of the NFRA employees in Accordance with the Executive Agency Act No. 30 of 1997, its amendment and regulations, the Public Service Act No. 8 of 2002 and its Regulations.
- (vii) Representing the NFRA in international fora.
- (viii) Providing advice, as required, on all matters which fall within his/her responsibilities.

5.4 Responsibilities of the Ministerial Advisory Board

The Ministerial Advisory Board (MAB) shall give advice to the Minister on the following:—

- (i) The development and maintenance of a policy framework;
- (ii) The acceptability of the Chief Executive's strategic and business plans and associated budgets;
- (iii) Setting of priorities and annual performance targets for the agency;
- (iv) The evaluation of NFRA's performance;
- (v) And any other matters provided for under the Executive Agency's Act No. 30 of 1997 and subsequent amendments.

The Ministerial Advisory Board shall be chaired by Permanent Secretary, The Board shall hold its meetings as often as the chairperson may determine, but not less than twice each financial year. The Chief Executive shall be an *ex-officio* member of the Ministerial Advisory Board.

6.0 ACCOUNTABILITY

6.1 Accounting Officer's Accountabilities

The Permanent Secretary who is the Principal Accounting Officer for the Ministry and as such shall be responsible for ensuring effective and efficient management of finances and other resources allocated to NFRA.

The Chief Executive is the NFRA Accounting Officer, and is therefore accountable for ensuring the propriety and regularity of revenue and expenditure, as well as their prudent and economical administration. He shall ensure that the Agency's financial regulations and accounting manual adhere to the requirements of the Public Finance Act of 2001.

The Chief Executive shall be responsible for establishing proper management systems including those relating to finance, accounting and personnel on basis of guidance issued by the Ministry of Finance and President's Office — Public Service Management (PO-PSM) and shall also put into effect the recommendations acceptable by the Government from the Public Accounts and other Parliamentary Committees.

6.2 Public Accounts Committee

The Permanent Secretary of the Ministry and NFRA Chief Executive may be required to appear before the Public Accounts Committee on matters relating to NFRA. When the Committee's interest is in the operations of NFRA, the Minister will normally regard the Chief Executive as the person best placed to appear.

6.3 Parliamentary and Other Enquiries

The Chief Executive shall work closely with the Minister to prepare replies to questions raised by the members of Parliament which fall within the responsibilities of NFRA. The Chief Executive Officer shall also advise the Minister on other Parliamentary matters as requested.

7.0 FINANCE, PLANNING AND STRATEGIC CONTROL

7.1 Funding

NFRA's financial requirement will be generated from:

- (i) Sales of Food commodities;
- (ii) Charges for services rendered;
- (iii) Government Subventions.

The expenditures of NFRA will be subject to Monthly, Quarterly and Annual Monitoring and review.

7.2 Strategic Plan

The Strategic Plan shall cover a three year term and be rolled forward and up-dated as need arises. In addition, there shall be a Mid Term Review of the Plan. The Plan shall reflect the outcome of the review of performance and expenditure, and shall clearly set out the following:

- (i) The strategic for achieving NFRA's aim and objectives;

- (ii) Strategic Performance Targets;
- (iii) An assessment of external factors including key assumptions, which influence the NFRA's performance;
- (iv) A capital expenditure programme;
- (v) Efficiency objectives and business plans.

7.3 Business Plan

The Business Plan will set out in more details NFRA activities for each year of the Strategic Plan period, and will include;

- (i) Priorities and key performance targets;
- (ii) Budgets, including estimated profiles of revenue and expenditure;
- (iii) The work programmes and activities;
- (iv) The key assumptions which include resources, that are crucial for achieving performance targets;
- (v) Efficiency plan entailing initiatives to include performance, value for money and quality of service.

7.4 Approval

The Chief Executive shall submit the Strategic and Business Plans to the MAB accordingly. The Chief Executive may seek to review the Business Plan in the course of the year to reflect changes in policies, resources or priorities.

Approval of these plans will constitute authority for NFRA to conduct its operations accordingly without undue interference by the Ministry.

7.5 Annual Reports

The Chief Executive shall submit Annual reports including Financial Statements to the Permanent Secretary who shall submit the same to the MAB and the Ministry each year.

The Annual reports shall be published and circulated to relevant authorities, and shall contain:

- (i) A copy of the audited financial accounts of NFRA together with Auditor's report on those accounts;
- (ii) A report on the performance against key targets;
- (iii) A report on the operations of NFRA during the financial year;
- (iv) Any other information as may be required by relevant Authorities.

The annual report will also contain the annual performance agreement between the Permanent Secretary and the Chief Executive.

7.6 Financial Delegation

The Chief Executive has the authority to approve all expenditures which are consistent with the approved Strategic and Business Plans and which are in accordance with his letter of delegation.

The Chief Executive shall ensure that appropriate investment appraisal of all capital expenditure projects are carried out taking into account the guidance of the Parent Ministry, Ministry of Finance or President's Office—Public Service Management.

Major capital expenditure areas will be considered in the context of the approved Strategic Business Plan.

NFRA will undertake post implementation review to determine as to whether projects have achieved set objectives.

7.7 Value for Money

The Chief Executive is responsible for obtaining value for money in the procurement and delivery of goods and services. Accordingly, the Chief Executive will implement a range of efficiency measures in accordance with the agreed programme and timetable set out in the Strategic and Business Plans. The Chief Executive is responsible for maintenance of standards and obtains value for money of any work contracted out and ensuring that the security and confidentiality safeguards are maintained.

7.8 Internal Audit

The Chief Executive is responsible for ensuring that adequate arrangements exist for the provision of an Internal Audit Service. Internal auditing shall be done in accordance with standards set by the Ministry of Finance, National Board of Accountants and Auditors and NFRA's Accounting Manual.

The Internal Auditor to the Ministry of Agriculture, Food Security and Cooperatives shall have the right to access the Agency to perform work necessary to give independent assurance to the Permanent Secretary. The Permanent Secretary shall receive copies of all internal audit reports accordingly.

7.9 External Audit

NFRA is subject to external audit by National Audit Office of the United Republic of Tanzania which has the right to conduct internal audits, special audits and value for money studies relating to NFRA activities.

8.0 BUDGETARY FLEXIBILITY

The Chief Executive shall have the powers in relation to budgetary flexibilities which shall be exercised in accordance with Ministry of Finance Guidelines, and the limits set out in the Executive Agencies (Finance, Procurement and store) Regulations of 1999, the Finance Act No. 6 of 2001 and Procurement Act No. 21 of 2004 and their regulations.

8.1 Capital Expenditure

The Chief Executive shall have the powers in relation to capital expenditure according to the Public Procurement Act No. 21 of 2004 to:

- (i) Authorize capital on individual capital projects.
- (ii) Transfer resources allocated to one item in the budget to another; and
- (iii) Carry over in full to the next financial year any unspent amount on capital provisions from the previous financial year.

8.2 Running Costs

The Chief Executive shall have the powers in relation with the running costs to:

- (i) Manage all running costs allocation as a single budget.
- (ii) Transfer resources allocated to one item in the budget to another; and
- (iii) To carry over in full to the next financial year any unspent amount on running cost from the previous financial year.

9.0 ASSETS AND LIABILITIES

In consultation with the Permanent Secretary the Chief Executive may authorize all write-offs and special payments, disposal of assets in accordance with Public Finance Act of 2001 and Public Procurement Act of 2004.

10.0 PERSONNEL

10.1 Status and conditions of Service

NFRA staffs are public servants in accordance with the Executive Agencies Act No. 30 of 1997 and its amendments; and Public Service Act No. 8 of 2002 and its Regulations. These Regulations may be amended from time to time by the Minister responsible for Public Service Management.

10.2 Management

The Chief Executive shall be responsible for the personnel management of the NFRA staff as set out in the Framework Document and the Executive Agencies Personnel Management and any other Regulations as laid down in the labour laws of Tanzania. He is responsible for ensuring that an equal opportunities policy is formulated and implemented in order to maximize NFRA's efficiency and effectiveness.

10.3 Staff Complement and Relations

The Chief Executive shall be responsible for managing the affairs of the Agency efficiently and effectively, the end result is to establish and keep up to date the NFRA's staff cohesion, relation and Team spirit.

The Chief Executive is required to create and implement good staff relations as an important aid to achieve the objectives of NFRA; and ensure effective communication and consultation between the staff and their Trade Union.

Agency staff retains the right of appeal to the Permanent Secretary on personnel matters in the event of being dissatisfied by any decision made by the Chief Executive of NFRA.

10.4 Health and Safety

The Chief Executive is responsible for the Health and Safety of NFRA staff in working place and for complying with all relevant Legislations and Regulations and in the regard, shall consult with staff and their Trade Union Representatives on health and safety matters. Besides the Agency will have action plan for HIV/AIDS pandemic.

11.0 REVIEW, AMMENDMENTS AND PUBLICATIONS

11.1 Review

From time to time, but at least at intervals not exceeding five years, a review of this document shall be undertaken. The Minister for Agriculture Food Security and Cooperatives will be advised jointly by the Permanent Secretary, the Ministerial Advisory Board and NFRA Chief Executive.

11.2 Amendments

The Minister, Permanent Secretary or the Chief Executive may at any time propose amendments to this Framework Document in the light of the Agency's operation experience or any change of circumstances. Any such proposals for change shall be subject to consultation with the President's Office Public Service Management.

Any change affecting personnel shall be subject to consultation with staff and their recognized Trade Union representatives. The incorporation of changes may require the approval of the Minister for Agriculture, Food Security and Cooperatives, and Minister responsible for Public Service Management as well as the approval of Chief Secretary.

11.3 Publication

The Order Establishing NFRA including the Framework Document will be laid before Parliament in accordance with the existing Practices. Copies of the Framework Document and further information about the Agency can be obtained from:

The Chief Executive,
National Food Reserve Agency,
Plot No. 35, Mbozi Road,
Chang'ombe Area,
P.O. Box 5384,
Dar es Salaam
Tanzania

Tel.: 0222864069, 0222864067, 0222863134

Dar es Salaam,
29th May, 2008

STEPHEN M. WASIRA,
*Minister for Agriculture, Food Security
and Cooperatives*