



Powering Industrialization: Kuwezesha Viwanda

STRATEGIC PLAN

2023-2027

THEME: CONSOLIDATION & GROWTH



VISION

A thriving SME Ecosystem in Kenya

MISSION

To nurture, empower and accelerate growth and sustainability of small and medium enterprises by providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages for Jobs and wealth creation

CORE VALUES

Collaboration

Equity

Innovation & Adaptability

Integrity

Transparency & Accountability

Professionalism

FOREWORD



It is with much delight that I present the 2023-2027 Strategic Plan for Kenya Industrial Estates. This Strategic Plan will be the main instrument through which KIE's mandate will be executed. The Strategic Plan draws a lot from and has been aligned to the Constitution of Kenya 2010, Kenya Vision 2030 and its attendant fourth Medium Term Plan (MTP IV), the Bottom up Economic Transformation Agenda (BETA), the East Africa Agenda 2050, Africa Agenda 2063 and the United Nation's Sustainable Development Goals (SDGs). The Board is particularly keen that the organization plays a key role in implementing the manufacturing agenda of the BETA and MTP IV.

Kenya Industrial Estates' mandate is to provide affordable credit, incubation services, entrepreneurship capacity development support and linkages to SMEs. This Strategic Plan is a strong foundation for KIE to contribute to Kenya becoming a prosperous and globally competitive economy. In the achievement of the set strategic goals and objectives, the organization will collaborate with relevant stakeholders and other agencies nationally, regionally and internationally.

The implementation of this Strategic Plan will enable us to deliver quality products/services guided by our core values namely; Collaboration, Equity, Innovation & Adaptability, Integrity, Transparency & Accountability and Professionalism.

The Strategic Plan is a statement of intent. Its strategic goals, objectives, strategies and activities will only be realised if it is effectively implemented.

I call upon all the actors and stakeholders to play their role to support us achieve the expected results as we work towards an envisaged *thriving SME ecosystem in Kenya*.

Hon. Lily C. Ng'ok
Board Chairperson

PREFACE



Kenya Industrial Estates' Strategic Plan 2023-2027 articulates the shared vision, mission, core values, policy priorities, strategic objectives and resource requirements of the organization. The institution recognizes its strengths, weaknesses, opportunities and threats and will draw appropriate strategic responses to deal deal with the challenges facing the organization and the sector. In realizing its vision and mission, KIE will be guided by its mandate, strategic goals and strategic objectives which also take into consideration the environment under which the organization operates.

We shall continue to engage our stakeholders to actualize the strategies and activities as outlined in the Strategic Plan so as to collectively execute the important task of executing the Plan. Implementation tools are critical components of executing the Plan activities which have been translated into day-to-day tasks. Performance will be monitored, evaluated and reported continuously to ensure smooth execution and achievement of the Strategic Plan.

The development of this Strategic Plan has contributions from both internal and external stakeholders of KIE, including members of the Board and Management staff. This gives the Strategic Plan both policy and operational strength and ownership.

We acknowledge with gratitude those who responded to our strategic planning questionnaires which enabled us to obtain adequate and valuable information. I would like to recognize technical guidance from the State Department of Planning at the National Treasury and Economic Planning. This invaluable guidance shaped the quality of this Plan and gave it the strategic direction. We would like to acknowledge the professional input from our consultants, Stratos Consultants Ltd, who provided the technical insights throughout the formulation process.

To all our stakeholders who contributed either directly or indirectly to the successful preparation of the Strategic Plan including providing valuable feedback, we thank you most sincerely. Implementing the Strategic Plan calls for alot of commitment, dedication and self-sacrifice on the part of all those involved. Let us therefore dedicate ourselves to implementing this Strategic Plan to our very best for the benefit of all.

CPA Charles M. Mativo
Ag Managing Director

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ACRONYMS AND ABBREVIATIONS

AU	- Africa Union
BETA	- Bottom up Economic Transformation Agenda
BPO	- Business Process Outsourcing
BPR	- Business Process Re-engineering
EAC	- East African Community
ERM	- Enterprise Risk Management
GDP	- Gross Domestic Product
GoK	- Government of Kenya
HR	- Human Resource
ICDC	- Industrial and Commercial Development Corporation
ICT	- Information and Communication Technology
ISO	- International Organization for Standardization
KAM	- Kenya Association of Manufacturers
KEBS	- Kenya Bureau of Standards
KEPSA	- Kenya Private Sector Association
KIE	- Kenya Industrial Estates
KIEP	- Kenya Industry and Entrepreneurship Project
KIPI	- Kenya Industrial Property Institute
KIRDI	- Kenya Industrial Research and Development Institute
KPI	- Key Performance Indicators
KRA	- Key Result Area
LAN	- Local Area Network
MoU	- Memorandum of Understanding
MSMEs	- Micro, Small, and Medium Enterprises
MTP	- Medium Term Plan
PAR	- Portfolio at Risk
PESTEL	- Political Economic Social Technological Environmental Legal
PPP	- Public Private Partnership

- QMS - Quality Management System
- SDGs - Sustainable Development Goals
- SMART - Specific Measurable Achievable Realistic and Timely
- SME - Small and Medium Enterprises
- STI - Science Technology and Innovation
- TAT - Turn-Around Time
- TNA - Training Needs Assessment
- TQM - Total Quality Management
- UHC - Universal Health Care
- WAN - Wide Area Network

KEY CONCEPTS AND TERMINOLOGIES

Key Activities: Actions taken or work performed, through which inputs are mobilized to produce outputs.

Baseline: A description of the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made.

Commercial State-Owned Enterprises: Legal entities created by Government to engage in commercial activities on its behalf.

Indicator: A means for measuring progress/change that results from an intervention. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

Key Results Areas: They are the broad areas in which you are expected to deliver results.

Outcome: The intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project.

Output: Products, services, or immediate results, tangible or intangible resulting directly from the implementation of activities or applying inputs.

Strategies: Broad abstractions which are descriptive of the means for achieving the strategic objectives.

Strategic Issues: These are problems or opportunities emanating from situational analysis that an organisation has to manage in order to be able to fulfil its mandate and mission.

Strategic Goal: General qualitative statements on what an organisation is hoping to achieve in the long term. Each strategic goal is linked to a strategic issue. Goals are the foundations of a plan and need to be set at the start of the planning process.

Strategic Objectives: These are what the organization commits itself to accomplish in order to achieve strategic goals. Strategic objectives should be SMART; they establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

Target: A result to be achieved within a given time frame.

Value Chain: A description of the production-to-market linkages, generating value to the customer through efficient processes and procedures. Value chains are about understanding how creation of value is distributed along the chain.

Incubation: KIE provides SMEs with an integrated incubation services comprising fit for purpose industrial estates/workspaces/incubators with shared utility services such as access roads, water & sewerage, electricity. Other pooled services include accounting, legal, secretarial services, internet and networking. The SMEs within and the industrial incubators also have access to affordable financial support for purchase of machinery, equipment & working capital to enhance operations of their enterprises. The organization also provides management and technical assistance to the supported SMEs including skills upgrading and linkage to markets for the products.

Entrepreneurship: It is the process by which individuals pursue business opportunities by innovatively building something of recognizable value and thereby turning the idea into a business opportunity.

EXECUTIVE SUMMARY

Kenya Industrial Estates Strategic Plan (2023-2027) has been developed in cognizance of its mandate, the Kenya Vision 2030, with special reference to MTP IV, the Constitution of Kenya, the Bottom-up Economic Transformation Agenda (BETA), East Africa Agenda 2050, Africa Agenda 2063, Sustainable Development Goals and other prevailing legal and policy documents. The formulation and implementation of the Strategic Plan was based on stakeholder engagement, good corporate governance and prudent business practice.

The **Vision** of the KIE is envisages *“A thriving SME ecosystem in Kenya”*. The **Mission** is *“To nurture, empower and accelerate growth and sustainability of small and medium enterprises by providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages for Jobs and wealth creation”*

Chapter One Presents the Context of Strategic Planning. It provides the rationale of the Strategic Plan, the KIE’s relevant Constitutional, legal and policy framework, the global, regional and national challenges. The Plan stipulates the Organization’s role in attaining the International, Regional and National Agenda. This includes: The Sustainable Development Goals, Africa Union Agenda 2063, East Africa Community Vision 2050, Vision 2030 and its attendant MTP IV and the Bottom-U Economic Transformation Agenda (BETA). It also stipulates the Organization’s historical and institutional account and the process of formulating the Strategic Plan.

Chapter Two States the mandate of KIE and the strategic direction of the Organization, the Vision, the Mission, Core values, Strategic goals and the Quality Policy Statement.

Chapter Three Explains the Situational and Stakeholder Analysis. Under the situational analysis it gives an outline of External Environment both Macro and Micro-environment, Industry Environment and Market Analysis. The Chapter also gives a summary of Opportunities and Threats and Internal Environment. It also explains Governance and Administrative Structures, Internal Business Processes, Resources and Capabilities, Summary of Strengths and Weaknesses, Analysis of Past Performance, Key Achievements, Challenges, Lessons Learnt as well as Stakeholder Analysis.

Chapter Four Describe the Strategic Issues, Strategic Goals and Key Result Areas.

Chapter Five Explains the strategic objectives and strategic choices.

Chapter Six Gives an outline of the implementation plan which gives a narration of the action plan, the annual work plan and budget Performance Contracting, Coordination Framework, Institutional Framework, Staff Establishment, Skills Set and Competence Development, Leadership Systems and Procedures as well as Risk Management Framework.

Chapter Seven Explains the financial requirements for implementing the strategic plan, resource mobilisation strategies and resource management.

Chapter Eight Provides the Monitoring, Evaluation and Reporting framework, performance standards for the organization that will ensure implementation is on track.

CHAPTER ONE: INTRODUCTION

1.0 Overview

This Chapter presents the Context of Strategic Planning. It provides the rationale of the Strategic Plan, KIE's relevant Constitutional, legal and policy framework, the global, regional and national challenges. The Plan stipulates KIE's role in attaining the International, Regional and National Agenda. This includes: the Sustainable Development Goals, Africa Union Agenda 2063, East Africa Community Vision 2050, Vision 2030 and its attendant MTP IV and the Bottom up Economic Transformation Agenda (BETA). It also stipulates the organization's historical and institutional account and the process of formulating the Strategic Plan.

1.1 Strategy as an imperative for Organizational Success

The Strategic Plan is a crucial document for KIE's institutional success, providing clear direction, facilitating effective resource allocation and enhancing decision-making. This Strategic Plan guides KIE in fulfilling its core mandate of promoting industrialization in Kenya by supporting SMEs in the manufacturing sector while aligning with important contextual factors in its operating environment. In developing this plan, KIE has considered its past and present performance, as well as key development blueprints from the Government and various regional and international bodies. This analysis has identified strategic issues and formulated broad strategic goals to address them.

The implementation of the Plan through its strategies will enable the institution to drive the transformation of the SME sector leading to long-term sustainability and economic impact through focused interventions in the priority sectors of the economy. The strategies developed will also steer KIE towards realizing its vision and achieving high-performance levels over the next five years. KIE will implement its objectives and strategies under four Key Result Areas (KRAs) to effectively contribute to national, regional and international development agendas, including the Vision 2030, EAC Vision 2050, AU Agenda 2063, and SDGs. The KRAs are:

- Credit to SMEs;
- Industrial Estates and Incubation Services;
- Entrepreneurship capacity development and Linkages;
- Institutional capacity.

In achieving the above KRAs, KIE has identified eleven (11) high-impact goals to deliver on its mandate. These are; increase access to affordable credit by SMEs, Increase appropriate industrial workspace for SMEs, Accelerate growth/graduation of Incubatees, Enhance growth and sustainability of SMEs through entrepreneurial capacity and inter-firm linkages, Optimize skilled and motivated human capital, Attain financial sustainability, Fully embrace ICT across the organization's branch network and business operations, Improve visibility, branding and customer experience and Embrace principles of Corporate Governance while promoting Environmental sustainability.

1.2 The Context of KIE Strategic Planning

The development of this Strategic Plan is in consideration of national development priorities, regional and international development frameworks including the Vision 2030, EAC Vision 2050, AU Agenda 2063, and the sustainable development goals (SDGs). These blueprints identify critical factors for promoting inclusive growth, advancing sustainable development agenda, and contributing to the global effort to build a more prosperous, equitable and resilient world.

1.2.1 United Nations 2030 Agenda for Sustainable Development

The Government of Kenya is committed to the attainment of the United Nations' Sustainable Development Goals (SDGs) as agreed upon by the international community. There are 17 SDGs which aim to enhance the quality of life of the world's citizens. Each goal has a specific target to be achieved over the next 10 years. KIE will play its role in the realization of the following two SDG's which are directly related to its mandate in pursuit of addressing the economic, social and environmental dimensions of development in a comprehensive and integrated manner.

Table 1.1: KIE Role in Sustainable Development Goals

Sustainable Development Goals	Role of KIE
<p>Goal No. 8: Decent work and economic growth</p>	<p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.</p> <ul style="list-style-type: none"> ● KIE will nurture, empower and accelerate the growth and development of SMEs in manufacturing and value addition sectors as key drivers for jobs and wealth creation. This will be achieved through access to affordable credit finance by SMEs, incubation services, entrepreneurship capacity development and linkages.
<p>Goal No. 9 Industry, Innovation and Infrastructure</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation. KIE will support SMEs in industry by providing:</p> <ul style="list-style-type: none"> ● Appropriate industrial work spaces and common user manufacturing facilities ● Entrepreneurship and technical skills development ● Access to affordable credit for business expansion, modernization, acquisition of machinery and relevant technologies ● Linkages to market, raw materials, technology and machinery.

1.2.2 African Union Agenda 2063

The Africa Agenda 2063 is a collective vision and roadmap for social economic transformation of the Africa Continent over the next 40 years that is committed to achieving seven aspirations. Agenda 2063 builds on, and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development.

The seven (7) aspirations of AU Agenda 2063 are to achieve: A Prosperous Africa, based on Inclusive Growth and Sustainable Development; An Integrated Continent Politically united and based on the ideals of Pan Africanism and the vision of African Renaissance; An Africa of Good Governance, Democracy, Respect for Human Rights, Justice and the Rule of Law; A Peaceful and Secure Africa; Africa with a Strong Cultural Identity Common Heritage, Values and Ethics; An Africa Whose Development is people driven, relying on the potential offered by African People, especially its Women and Youth, and caring for Children; and An Africa as A Strong, United, Resilient and Influential Global Player and Partner.

KIE will contribute directly to the realization of Aspiration No. 1: Towards achieving a Prosperous Africa, based on inclusive growth and sustainable development whose goal is transformed economies and has prioritised sustainable and inclusive economic growth; Science Technology and Innovation (STI) driven manufacturing/ industrialization and value addition. KIE's role will be realised through the development of SMEs in the manufacturing/ industrialization for survival and accelerated growth for jobs and wealth creation.

1.2.3 East Africa Community Vision 2050

The EAC Vision 2050 articulates the dreams and aspirations of the East African people and makes a commitment to what they will do to achieve these dreams. It follows closely on the development of the African Union Agenda 2063, which articulates the aspiration of all the people of the African continent. The EAC vision 2050 is grounded on eight pillars; Infrastructure development; agriculture, food security and rural development; industrialisation; environment and natural resource management; tourism, trade and other services development; good governance, defence, peace and security; enablers for implementation of vision 2050; and cross cutting issues.

The industrialization pillar whose goal is leveraging industrialization and manufacturing for structural transformation for improved intra-regional and global trade, will be achieved through high value addition and product diversification based on the comparative and competitive advantages of the region. Movement into manufacturing and exportable service activities will enable EAC to take advantage of the growing demand for manufactured goods with value addition and improved productivity. The role of growth-oriented small and medium enterprises (SMEs), which account for over 60 percent of employment creation in the region, is an important component of EAC growth and industrial diversification strategy. KIE will play a critical role towards the achievement of this goal through empowering SMEs in the manufacturing sector in Kenya.

1.2.4 Constitution of Kenya 2010

Kenya Industrial Estates fully recognizes the Constitution of the Republic of Kenya as the supreme law of the land, which binds all persons, and all state organs at all levels and arms of government. In execution of its mandate, KIE shall more specifically adhere to Article 10 (2d) and shall govern the affairs of the organization in accordance with national values and principles of governance especially relating to sustainable development.

1.2.5 Kenya Vision 2030, Bottom-up Economic Transformation Agenda and Fourth Medium Term Plan

This section outlines the National Development Agenda including the Kenya Vision 2030 and its attendant MTP IV; and the Bottom-up Economic Transformation Agenda (BETA).

1.2.5.1 Kenya Vision 2030

The Kenya Vision 2030 is the Country’s development blueprint covering the period 2008 to 2030. It aims at making Kenya a newly industrialized, “middle income country providing high quality life for all its citizens by the year 2030”. It is founded on three pillars: economic, social and political.

The Economic pillar aims at achieving an economic growth rate of 10 per cent per annum and sustaining the same till 2030 in order to generate adequate resources for achieving the Vision’s goals. The main drivers are tourism, increasing value in agriculture, wholesale and retail trade, manufacturing, Business Process Outsourcing (BPO), Oil, mining and financial services.

KIE directly plays a pivotal role under the economic pillar by supporting SMEs in manufacturing.

1.2.5.2 The Bottom-up Economic Transformation Agenda (BETA)

The Government’s BETA whose strategic pillars are on agricultural transformation and inclusive growth; micro and medium enterprise; housing and settlement; health care and digital superhighway and creative industry is geared towards rapid economic turnaround and inclusive growth. Special focus is on interventions that: reduce the cost of living; increase employment; incentivize investment and production; achieve more equitable distribution of income; enhance social security, expand tax base for more revenue; and increase foreign exchange earnings.

The Agenda aims to increase investments in at least five sectors envisaged to have the largest impact and linkages to the economy as well as on household welfare. The effective delivery of BETA calls for institutional strengthening and the enhancement of Strategy-development capacity, strengthening financial management for development, human resource development in the public sector and the development of administrative capacities to handle emerging challenges

KIE’s mandate is fully aligned to the aspirations of BETA plan 2022-2027 which seeks to turnaround the Country’s economic growth by focusing on agricultural transformation and inclusive growth, micro, small, and medium enterprises (SMEs), Housing and settlement, health care and digital superhighway and creative industry. Table 4 presents KIE’s focus areas under BETA.

Table 1.2: KIE’S Role under BETA Focus Areas

	Agenda	KIE’s Role
1)	Micro, Small, and Medium Enterprises (MSMEs	<ul style="list-style-type: none">• KIE will nurture, empower and accelerate the growth and sustainability of SMEs in manufacturing and value addition sectors through access to affordable credit, incubation services, entrepreneurship capacity development and linkages;• KIE in collaboration with other agencies and institutions will aspire to promote an enabling

	Agenda	KIE's Role
		business environment for a flourishing SMEs' ecosystem.
2)	Agricultural Transformation	<ul style="list-style-type: none"> • Promote agro processing activities in key priority sectors of edible oils, cotton, leather, dairy, rice, coffee, tea among others; • Promote the growth and development of other auxiliary industries within the agro-processing value chain such as textile and apparels, packaging materials, crop and animal health products, machinery and spare parts.
3)	Climate Change and Management of Environment	<p>KIE will support SMEs:</p> <ul style="list-style-type: none"> • In leveraging opportunities presented by climate change; and • In building resilience against the adverse effects of climate change.
4)	Universal Health Care(UHC)	<p>The institution will support the UHC pillar by providing affordable credit, appropriate workspaces, entrepreneurship capacity development and linkages to SMEs in:</p> <ul style="list-style-type: none"> • Commodities manufacturing; • Pharmaceutical manufacturing; • Last mile distribution; and • Other auxiliary industries within the health services value chain.
5)	Digital Superhighway	<ul style="list-style-type: none"> • KIE will sensitise and support SMEs to embrace technological opportunities presented by the digital superhighway in production, operations, systems and access to markets.
6)	Housing and Settlement	<p>KIE, in line with its core mandate areas, envisages to play a crucial role:</p> <ul style="list-style-type: none"> • In supporting SMEs in the manufacture of building and construction materials sector. These include SMEs in: metal fabrication and welding, cement, wood and woodwork, paints, roofing solutions, quarry products, precast concrete products, furniture, fittings among others; • It will also support the growth and development of other auxiliary industries within the construction materials value chain.

1.2.5.3 KIE's Role in the Fourth Medium Term Plan (MTP IV) 2023-2027

The Fourth Medium Term Plan (MTP IV) 2023-2027 succeeds the Third Medium Term Plan whose implementation ended on 30th June 2023. The MTP IV is themed: “**Bottom-Up Economic Transformation Agenda for Inclusive Growth**” and it builds on gains made in the implementation of

policies, programmes, and projects in the Third Medium Term Plan. It is also aligned to BETA. The MTP IV adopted a value chain approach, with the BETA core pillars and key enablers clustered under five (5) sectors: Finance and Production; Infrastructure; Social; Environment and Natural Resources; and Governance and Public Administration. The value chain approach focuses on enhancing production, value addition and market access, and attracting local and foreign investments.

Under the MTP IV, KIE has specifically been identified to support the edible oils value chain through promotion of cottage industries and providing small industries with processing machineries at Kenya Industrial Estate (KIE). This is in addition to supporting the growth and development of manufacturing and value addition SMEs across all other value chains and sectors profiled within the medium term plan.

1.3.1 Sector Policies and Laws

1.3.1.1 Relevant Policies, Treaties, Conventions and Protocols

The following policy instruments are relevant to the functions of the Company:

- 1) Kenya Micro and Small Enterprises Policy 2020
- 2) Sessional Paper No. 9 of 2012 (National Industrialization Policy Framework for Kenya 2012-2030 (2012)
- 3) Sessional Paper No. 2 of 2005 (Development of Micro and Small employment Creation for Poverty Reduction)
- 4) Sessional Paper No 10 of 1965 on African Socialism and its Application to Planning in Kenya
- 5) Guidelines issued by the Government from time to time

1.3.1.2 Relevant Legislations

The following laws provide the legal framework under which KIE operates:

- 1) Companies Act, 2015
- 2) State Corporations Act (Cap 446)

1.4 Historical framework of KIE

Kenya Industrial Estates (KIE) was established by the government in 1967 as a small and medium industrial promotion organization with focus on Rural Industrialization. This was to spur rural industrial development. Initially, KIE was a subsidiary of Industrial and Commercial Development Corporation (ICDC). In 1978, it became an independent statutory Body whose mandated is to carry out specific objectives including Indigenization of the industrial sector by promoting local entrepreneurs; providing medium and long term development finance to indigenous SMEs; Facilitating dispersion of rural industrial development; Incubation of SMEs countrywide to facilitate their survival and growth; Facilitating the graduation of micro and small enterprises to medium and large enterprises commonly known as the “Missing Middle”.

Under the SME transformation agenda of the Government, KIE continues to play a seminal role in promotion and development of SMEs competitiveness through entrepreneurship capacity development including access to modern management practices, support for technology upgradation and modernization, establishment of integrated industrial infrastructural facilities and providing SMEs access to affordable credit finance. KIE is also expected to champion subcontracting arrangements between SMEs and Large

enterprises, market access for SME products and services (better access to domestic and export markets), establishment of production clusters and promotion and development of the cottage Industry.

1.5 Methodology of Developing the Strategic Plan

This Strategic Plan will be an instrument for KIE to enhance organizational growth and sustainability, stakeholder benefits, service delivery and performance management systems. The following forms the rationale for the development of this Strategic Plan:-

- 1) The expiry of the previous Strategic Plan (2021-2023).
- 2) Need to evaluate achievement of the previous Strategic Plan.
- 3) Need to align Strategic Plan to the government aspirations as prescribed in the Bottom-Up Economic Transformation Agenda (BETA), Vision 2030 fourth Medium Term Plan 2023-2027, the manufacturing sector plan and the government agenda on industrial transformation.
- 4) Need to adapt to the dynamic business environment. A Strategic Plan will enable KIE to proactively respond to changes in the external environment, such as shifts in the Industrial sector, economic conditions, and regulatory frameworks.
- 5) Need to ensure organization's long-term sustainability.
- 6) The requirement to comply with the revised guidelines by the State Department for Economic Planning for preparation of the fifth generation strategic plans, 2023-2024.

The Strategic Planning process went through a consultative, collaborative and participatory approach involving all key stakeholders in every stage of the Strategy formulation. This was aimed at building the commitment of the stakeholders to the formulation process and results thereof; and enhance their knowledge, understanding and skills to enable them implement the strategy.

The formulation process involved the following stages:

- 1) Desk review of KIE's relevant documents;
- 2) Desk review of Sector relevant documents;
- 3) Data collection from stakeholders through a questionnaire;
- 4) Development of a working document;
- 5) Interactive workshops by management and Strategic planning technical committee;
- 6) Validation workshop with the Board;
- 7) Presentation of draft Strategic Plan to internal and external stakeholders;
- 8) Presentation of draft Strategic Plan to the Board for approval and adoption;
- 9) Publication and launch of the final Strategic Plan.

CHAPTER TWO

STRATEGIC DIRECTION

2.0 Overview

This Chapter states the mandate of Kenya Industrial Estates and the strategic direction of the organization, the Vision, the Mission, Strategic goals, Core values and the quality policy statement.

2.1 Mandate

The core mandate of Kenya Industrial Estates is to promote industrialization in Kenya through the development of Small and Medium Enterprises. This involves supporting SMEs through provision of medium and long-term development credit finance, incubation services, entrepreneurship capacity development and linkages to facilitate their survival, growth and sustainability.

KIE's mandate is stipulated in its Articles and Memorandum of Association and include:

- 1) To acquire by direct grant, purchase, lease, exchange or otherwise, land buildings and property of every description and of any tenure and any interest therein and any rights over or connected with land, buildings and other property for the purpose of the establishment of industrial estates.
- 2) To develop land and buildings belonging to, leased by or otherwise under the control of the Company by clearing, levelling, draining and otherwise preparing building sites, demolishing existing buildings, constructing roads and sewers, constructing, reconditioning, altering, extending, improving, decorating, equipping, furnishing and maintaining factories, workshops, offices and other buildings of every description and granting leases, licences to use and other rights of occupancy or use such factories, workshops and other buildings.
- 3) To administer industrial estates and provide technical and administrative services, libraries, reading rooms, restaurants, recreation rooms and other services and facilities of every description to and for the use of tenants, occupiers and users of factories, workshops and other premises on industrial estates owned, operated or administered by the Company.
- 4) To carry on the business of advisers on problems relating to the administration and organisation of industry and business and the training of personnel for industry and business and to carry on all or any of the businesses of industrial, business and personnel consultants and to advised upon the means and methods of extending, developing and improving all types of industries and businesses and all systems or processes relating to the production, storage, distribution, marketing and sale of goods or relating to the rendering of services.
- 5) To lend money, either with or without security, to such persons or companies and on such terms as may seem expedient and, in particular, to tenants, occupiers or users of factories, workshops, and other premises on industrial estates owned or operated by the Company and to guarantee the performance of contracts by any such persons or companies and, generally, to give guarantees and indemnities of every description.
- 6) To engage in research into all problems relating to personnel and industrial and business management and distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of industry or business and to promote or propose

such methods, procedures and measures as may be considered desirable or beneficial for all or any of the Company's objects.

Through the executive order No. 1 of 2023, KIE as placed under the State Department for Micro, Small and Medium Enterprises Development, Ministry of Cooperatives and MSMEs Development

2.2 Vision Statement

A thriving SME ecosystem in Kenya

2.3 Mission Statement

To nurture, empower and accelerate growth and sustainability of small and medium enterprises by providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages for Jobs and wealth creation

2.4 Strategic goals

- 1) Increase access to affordable credit by SMEs
- 2) Increase appropriate industrial workspace for SMEs
- 3) Accelerate growth/graduation of Incubatees
- 4) Enhance entrepreneurial capacity of SMEs
- 5) Facilitate inter-firm linkages
- 6) Optimize skilled and motivated human capital
- 7) Attain financial sustainability
- 8) Fully embrace ICT across the branches
- 9) Improve visibility, branding and customer experience
- 10) Embrace principle of Good Corporate Governance
- 11) Environmental sustainability

2.5 Core Values

The Strategic Plan will be implemented within the following values together with those stipulated in article 10 and 232 of the Constitution.

- 1) **Integrity:** High Standards of ethical behaviour at all times.
- 2) **Collaboration & Partnerships:** The power of working together with both internal and external stakeholders.
- 3) **Innovation & Adaptability:** Commitment to innovativeness, inventiveness, adaptability, resourcefulness, creativity and visionary planning.
- 4) **Transparency & Accountability:** All business and service delivery shall be undertaken in a transparent and accountable manner.
- 5) **Equity:** Inclusivity, fairness and consideration for all
- 6) **Professionalism:** Competent, skilful and adherence to acceptable code of conduct

2.6 Quality Policy Statement

At Kenya Industrial Estates, we are dedicated to fostering a thriving SME ecosystem in Kenya. Our commitment is reflected in the diligent delivery of our core mandate of providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages to SMEs for jobs and wealth creation. Aligned with our core mandate, we pledge to fulfil SMEs' needs through the deployment of; efficient processes and systems, a team of highly qualified staff, and adherence to a rigorous implementation, monitoring, and evaluation framework. This will include the organization continually reviewing its internal and external environment to identify and manage potential risks while taking advantage of the opportunities to enhance service delivery to its customers for effective execution of its mandate. To ensure Efficient Internal Systems and Processes, the organization will embrace ISO 9001:2015 Quality Management Systems (QMS).

CHAPTER THREE

SITUATIONAL AND STAKEHOLDER ANALYSIS

3.0 Overview

This Chapter explains the situational analysis. The situational analysis gives an outline of External Environment of Macro and Micro-environment, Industry Environment and Market Analysis. The Chapter also gives the Summary of Opportunities and Threats and Internal Environment. It also explains Governance and Administrative Structures, Internal Business Processes, Resources and Capabilities, Summary of Strengths and Weaknesses, Analysis of Past Performance, Key Achievements, Challenges, Lessons Learnt as well as Stakeholder Analysis.

3.1 Situational Analysis

3.1.1 External Environment

An analysis of the external environment demonstrates an understanding of the developments in the external environment in order to appreciate the implications of such developments as manifested in opportunities and/or threats. The opportunities and/or threats should inform identification of appropriate strategic responses. The understanding of the developments should be informed by a comprehensive analysis of the various types of external environments. These include the macro-environment, micro-environment, industry/competitive environment and market environment.

3.1.1.1 Macro-environment

The macro-environment refers to the broader external factors that influence an organization's decision-making, performance, and strategies. These factors are typically beyond the control of the organization but significantly impact its operations. Understanding the macro-environment helps the organization to anticipate changes, adapt strategies, and take advantage of opportunities while mitigating potential threats. By analysing these factors, the organizations can better prepare for external influences that could impact its operations and strategic goals. The macro-environment can be analysed using various frameworks, one of the most common being the PESTEL analysis, which considers the following elements.

Table 3.1: Macro Environmental Factors

Political Factors	The Government's focus on transformation of the SME sector through the Bottom-Up Economic Transformation Agenda (BETA) places KIE at a pedestal towards the achievement of the envisioned goals. Further, the current constitutional dispensation also provides crucial opportunities for collaboration with devolved governments (counties) for the development and growth of SMEs. This notwithstanding, changes in national political leadership, business uncertainty occasioned by political factors during electioneering period and frequent changes in national and foreign trade policies disproportionately impact the growth and sustainability of SMEs.
Economic Factors	The dynamic global and national economic situations informed by the disruptions such as the recent Covid-19 Pandemic and geo-political vulnerabilities, inflation, increased taxation and exchange rate volatility have impacted negatively on the performance of the SME sector. These factors, coupled with rising production costs, have affected the

	sector's productivity and competitiveness. A continued promotion of export of processed agricultural products and a stable economic environment will incentivize investments across the various value chains thus facilitating the implementation of KIE's programmes.
Social Factors	The manufacturing sector faces various social factors that impact its growth and development. Rapid population growth creates market opportunities across various value chains that are yet to be fully exploited. Ethnic, cultural practices and gender roles influence customers' preferences and consumption patterns thus creating investment opportunities. Enhanced investment in manufacturing is a critical factor towards creating more job opportunities for the youth. There is a need to avail critical infrastructure such as roads, electricity, internet connectivity and water to attract investments across the various regions. Curbing insecurity will also foster rural industrialization.
Technological Factors	Adoption of modern technologies while mitigating for various cyber threats will facilitate effective and efficient implementation of KIE programs. In line with the digitization agenda of the Government, KIE will leverage on technology in the delivery of services including digital lending, management of incubation centres and delivery of entrepreneurship capacity development through online curriculum delivery. Similarly, the advent of technological advancements, E-marketing/ E-commerce enhances productivity, competitiveness and market access for SMEs.
Ecological Factors	Climate change presents both opportunities and challenges to SMEs in the manufacturing sector. The circular economy also presents immense opportunities for SMEs. In driving the development of the SME sector, KIE will strive to create awareness on environmental conservation, waste management and rehabilitation for the economic, social and environmental benefits therein.
Legal Factors	The legal and regulatory framework within which the institution operates affects its governance structure, funding sources, operational procedures, and compliance requirements. KIE endeavours to adhere to all relevant laws, policies and regulatory frameworks set out by the Government. Frequent changes in laws and regulations impacts the SME sector disparagingly given the high compliance costs.

3.1.1.2 Micro-environment

The micro-environment refers to the specific and immediate external factors that directly affect an organization's operations, performance, and decision-making processes. It typically includes elements that are close to the organization and have a significant impact on its ability to achieve its objectives. This include:-

- **Interest Rates:** The interest rates charged by financial institutions significantly impact credit accessibility. High interest rates can discourage SMEs from seeking loans or credit facilities;
- **Collateral Security:** Many lenders require collateral as security for loans. The availability and quality of collateral can affect an SME's ability to access credit. Lack of sufficient collateral may limit credit options for small businesses;
- **Financial Literacy:** The financial literacy of business owners plays a crucial role. Understanding financial concepts, managing finances effectively, and making informed decisions can positively impact credit access;
- **Business Support Services:** Access to business support services, such as training, mentorship, and advisory services, can enhance credit readiness. SMEs that receive proper guidance are better positioned to access credit;

- **Market Size:** While market size doesn't directly affect credit access, it indirectly influences an SME's ability to repay loans. A larger market may provide more opportunities for business growth and revenue generation, making credit repayment more feasible;
- **Information Asymmetry:** Imperfect information between lenders and borrowers can hinder credit access. When lenders lack accurate information about an SME's creditworthiness, they may be reluctant to provide loans; and
- **Financial Intermediation:** The efficiency of financial intermediaries (such as banks and microfinance institutions) impacts credit access. Well-functioning intermediaries facilitate credit flow to SMEs.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Inflation	6.0%	8.0%	6.4%	4.5%	5.7%	5.8%	5.6%	5.7%	9.1%	8.5%
Interest rates	6.5%	6.5%	7.0%	7.0%	7.0%	5.5%	4.5%	7.0%	8.75%	12.50%

3.1.1.3 Industry environment

The industry environment in which Kenya Industrial Estates (KIE) operates encompasses various factors and dynamics specific to the industrial sector in Kenya. Understanding these elements is crucial for KIE to fulfil its mandate of promoting industrialization and supporting Small, and Medium Enterprises (SMEs).

- **Players in the financial, incubation and advisory services to SMEs vary in scope and scale.** Most major in lending services while some couple it with advisory services. Few offer workspaces compared to the other two services. Some target micro and small enterprises, others target medium to large enterprises and others targets the whole range from micro to large.
- **The Threat of new entrants exist largely on short term loans and digital loans.** There are many new entrants on business advisory services that offer different products to different market segments.
- **Bargaining power of buyers:** SMEs have many options to seek services from depending on their needs and ability to afford the current product offering.
- **Bargaining power of suppliers, suppliers to the organization engage through an elaborate legal and regulatory framework that accommodates the organization's needs.**
- **Threat of new substitutes, and Competitive rivalry:** Strategic group analysis identifies banks and microfinance institutions as strategic groups. Their innovations through technology in lending and their access to and maintaining members' business account.
- **Technological Advancements:** Technological innovation and adoption are transforming the industrial sector, driving productivity improvements, process optimization, and product innovation. Keeping pace with technological advancements and facilitating technology transfer and adoption are essential for enhancing product competitiveness and sustainability.

3.1.1.4 Market Analysis

Small and Medium Enterprises (SMEs) play a crucial role in Kenya's economy, contributing significantly to employment, innovation, and economic growth. SMEs in Kenya encompass a wide range of businesses across various sectors, including agriculture, manufacturing, services, and technology.

SMEs employ more than 30 percent of Kenya's population and play a central role in its socio-economic development as evidenced by 33 percent GDP contribution. They contribute 86.5% of the informal jobs and absorb about 90% of the young people joining the workforce. Efforts to make SMEs more competitive

can help the country achieve its development objectives by creating more jobs and strengthening other sectors.

Similarly, SMEs are considered as the cornerstone for manufacturing and have been identified as one of the central pillars of the Bottom-Up Economic Transformation Agenda (BETA) geared towards bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving the country’s foreign exchange balance as well as inclusive growth.

The Government’s Fourth Medium-Term Plan 2023–2027 towards achieving Kenya Vision 2030 recognizes the SME sector as a priority area for development and seeks to transform SMEs in the value addition/manufacturing sector by focusing on the following priority value chains: leather and leather products, textile and apparel, dairy, edible oils, tea, rice, blue economy, minerals including forestry and construction/building materials.

Despite their critical role in the economy, SMEs in the addition/manufacturing sector continue to face a myriad of challenges that hamper their survival and growth. These challenges include:

- Limited access to affordable credit finance;
- Inadequate and inappropriate production workspace;
- Limited access to markets for their products;
- Inadequate business management and entrepreneurial skills;
- Appropriate technology challenges, among others.

Kenya Industrial Estates focuses on supporting Small and Micro Enterprises (SMEs) to enhance their participation in the manufacturing sector. This is implemented through an integrated incubation program comprising its core products/services that intervene in addressing some of the challenges facing SMEs in the manufacturing sector.

These products and services include: -

- 1) Credit to SMEs
- 2) Industrial Estates & Incubation services
- 3) Entrepreneurship capacity development
- 4) Facilitating Sub-Contracting /Linkages

3.1.2 Summary of Opportunities and Threats

Table 3.2: Summary of Opportunities and Threats

Environmental factor	Opportunities	Threats
Political	<ul style="list-style-type: none"> ● Government focus under BETA for the Transformation of SMEs sector. ● Potential partnership and collaboration with international and non-governmental organizations to support the SMEs (E.g. GIZ, JICA). ● Devolution has opened up opportunities for businesses to engage with county governments, access to 	<ul style="list-style-type: none"> ● Competing interest for resource needs for national programs leading to decreased funding. ● Business uncertainty occasioned by political unrest during electioneering period. ● Geopolitics-affect imports and exports.

Environmental factor	Opportunities	Threats
	local resources, and benefit from local support systems.	
Economic	<ul style="list-style-type: none"> • Linkages and partnerships. • Competitive interest rates compared to commercial banks. • A large pool of SME clientele (huge demand for KIE credit) due to affordability of KIE credit facility. • Our economy is mostly driven by SMEs and there is therefore enough market for KIE products. • Government goodwill towards transforming SMEs through the BETA agenda. 	<ul style="list-style-type: none"> • Inadequate financial resources to meet the needs of the SMEs. • Delayed release of allocated resources leading to reduced customer confidence and possible litigations. • Institutional uncertainty due to looming mergers privatization. • Weak financial performance. • High cost of doing business e.g. cost of labour, power, licences. • Unfavourable tax regimes.
Social	<ul style="list-style-type: none"> • Large population of educated youth that can venture into business as an avenue for job creation. • High population that provide cheap labour for industrial enterprises. 	<ul style="list-style-type: none"> • Ever changing customer demands/needs. • High crime rate due to high unemployment rate and poverty.
Technological	<ul style="list-style-type: none"> • The availability of affordable innovative technologies for KIE to improve operational efficiency. • The government focus to support the digital economy and infrastructure. 	<ul style="list-style-type: none"> • Data insecurity. • Rapid technological advancements and high rate of obsolescence. • High cost of technology.
Ecological	<ul style="list-style-type: none"> • Green economy. • Circular economy-waste management. 	<ul style="list-style-type: none"> • Floods. • Prolonged droughts. • Landslides. • Deforestation and desertification.
Legal	<ul style="list-style-type: none"> • Favourable legislations supporting SME sector. • Various institutional frameworks supporting the SME sector. 	<ul style="list-style-type: none"> • Unpredictable legislative and regulatory framework. • Possible litigations by defaulters.

3.1.3 Internal environment

The internal environment of Kenya Industrial Estates (KIE) comprises the organization's internal factors, resources, and capabilities that influence its operations, culture, and performance. Understanding and managing these internal elements effectively is crucial for KIE to achieve its objectives and fulfil its mandate of promoting industrialization by supporting Small, and Medium Enterprises (SMEs) in Kenya.

3.1.3.1 Governance and administrative structures

Kenya Industrial Estates (KIE) is a government agency under the Ministry of Cooperatives and Micro, Small and Medium Enterprises Development. The overview of the governance and administrative structures of KIE include:

- **Board of Directors:** The Board of Directors provides strategic oversight and guidance to KIE. The board sets policies, approves budgets, and monitors organizational performance to ensure alignment with KIE's mission and objectives.
- **Management Team:** The management team, headed by the Managing Director, is responsible for day-to-day operations and decision-making at KIE. It includes departmental heads overseeing key functional areas such as Credit, Industrial Estates & Incubation Services, Risk Management, Operations, Business Advisory Services, Corporate Strategy & Planning, Finance, Human Resource & Administration, Company Secretary/legal services, Information & Communication Technology (ICT), Internal Audit, Procurement and Marketing/PR. Support the management in running the branch operations are the Regional and Branch Managers.

3.1.3.2 Internal business processes

Internal business processes in KIE comprise a series of activities, workflows, procedures, and systems it implements to achieve set goals, deliver value to customers, and fulfil its mission. Effective management and optimization of internal business processes are essential for enhancing organizational efficiency, productivity and competitiveness. Continuous process improvement methodologies, such as Lean Six Sigma, Total Quality Management (TQM), and Business Process Reengineering (BPR), can help KIE streamline operations, eliminate waste, and deliver greater value to its customers and stakeholders.

Table 3.3: Summary of Strengths and Weaknesses

Factor	Strength	Weakness
Governance and Administrative Structures	<ul style="list-style-type: none"> • A fully constituted, diverse and visionary Board consisting of the public and private sector. • There is a governance structure headed by the Board and managed by a Managing Director and supported by heads of departments and branch management. • The organization has policies that guide all areas of its business operations. 	<ul style="list-style-type: none"> • The current organogram has a flat structure at the top that creates a wide span of control at the Managing Director's level.
Internal Business Processes	<ul style="list-style-type: none"> • The organization has well documented processes and procedures. • Well documented customer service charter available in print, audio and video, and also in braille and sign language. 	<ul style="list-style-type: none"> • Largely manual processes that affect efficient service delivery.

Factor	Strength	Weakness
Resources and Capabilities	<ul style="list-style-type: none"> Pool of expertise in the support of SMEs spanning over 50 years. Affordable products and services (credit, workspace and Entrepreneurship capacity development). Wide asset base. Wide branch network across the country. Dedicated and committed staff. 	<ul style="list-style-type: none"> Inadequate financial resources to enhance operations. Over-reliance on exchequer. Inadequate capacity for resource mobilization.

3.1.3.3 Resources and capabilities

Kenya Industrial Estates has been supporting Micro, Small and Medium Enterprises focussing in the manufacturing Sector for over 50 years. This has been achieved through provision of affordable credit, Incubation services, entrepreneurship capacity development and linkages. The organization has a wide branch network across the country with a large client base. This demonstrates the capability of the Organization in ensuring that the whole country has equitable distribution of public resources and economic development for job and wealth creation. The organization also has large tracts of land on which expansion of industrial sheds/incubation centres can be constructed, however, budgetary constraints limit its capability to establish them. The organization’s skilled and motivated staff coupled with its culture of teamwork is capable of disbursing credit and offering entrepreneurship capacity development to SMEs much more than its currently doing were it not for the budgetary constraint.

3.1.5 Analysis of Past Performance

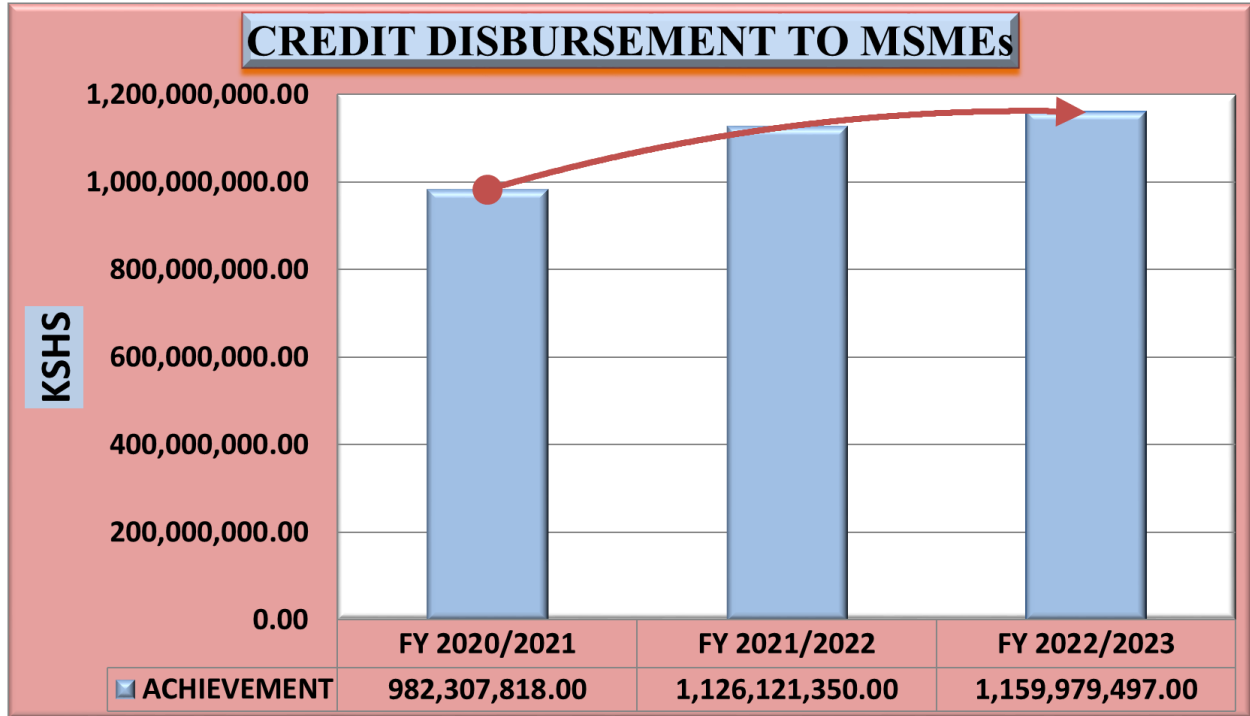
KIE overall performance for the last Strategic Plan period (2021-2023) was **86%** according to the internal assessment that was done. The evaluation results will act as a baseline for the next performance phase. A summary of achievement score for the Key Result Areas targeted during the period were as presented in Table 3.3 below.

Table 3.4: Summary of Past Performance

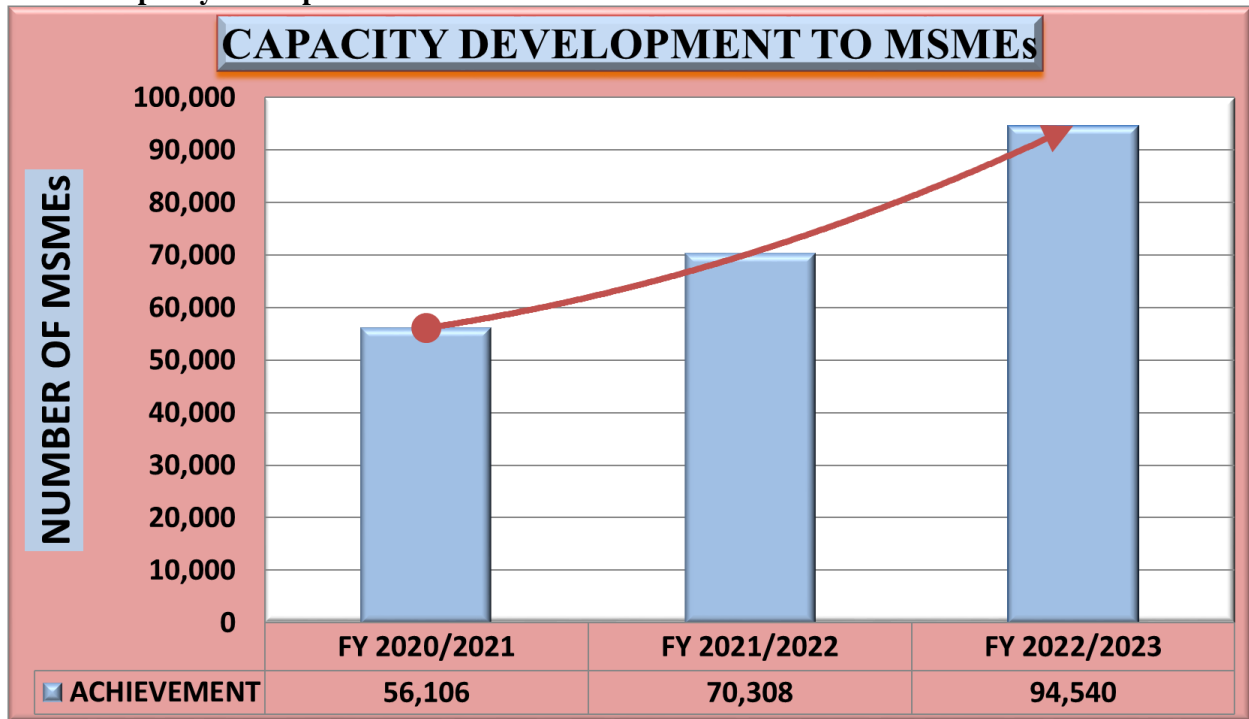
Key Result Area	Strategic Priorities/ Objectives	Percentage Score
Financing	Resource Mobilization	107.5%
	Increasing Disbursements	81.7%
	Enhancing Repayments	PAR of 22%
Mean Score in Financing		70.4%
Industrial Development (Infrastructure)	Construction of New Parks	0%
Mean Score in Construction of Sheds		0%
Industrial Development (Services)	Enhancing Incubation and Increasing Acceleration	102.7%
Mean Score in Incubation Services and Acceleration		102.7%
Business Advisory	Capacity Development (training, linkages and other Support Services (Coaching, Mentoring	161.2%
Mean Score in Business Advisory		161.2%
Institutional Strengthening	Improving Financial Management	97.2%
	Enhancing Risk Management	100%
	Human Capital Development	70.2%
	Efficient Internal Systems and Processes	121%
Mean Score in Institutional Strengthening		97.1%
OVERALL PERFORMANCE SCORE		86.28%

A graphical presentation of Key Performance Indicators (KPIs) relating to the core mandate areas of the organization namely Credit Disbursement to MSMEs, Capacity Development to MSMEs, Facilitation of Linkages to MSMEs, Appropriation in Aid, and Profitability is as presented below:

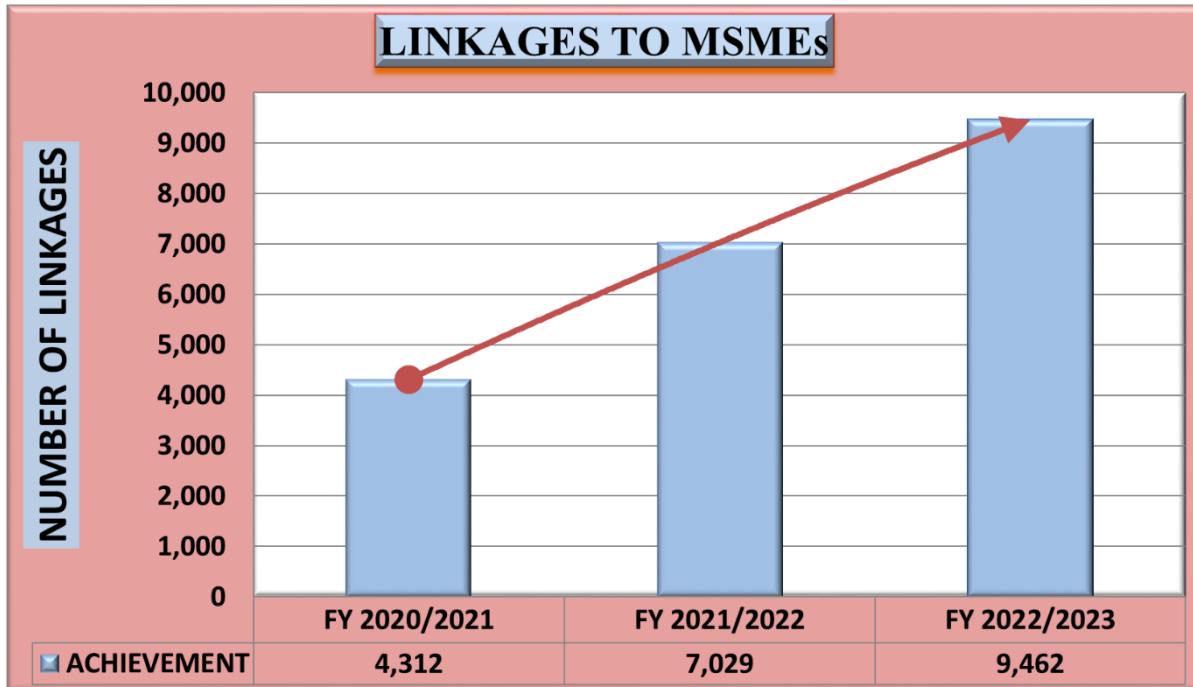
1. Credit disbursement to MSMEs



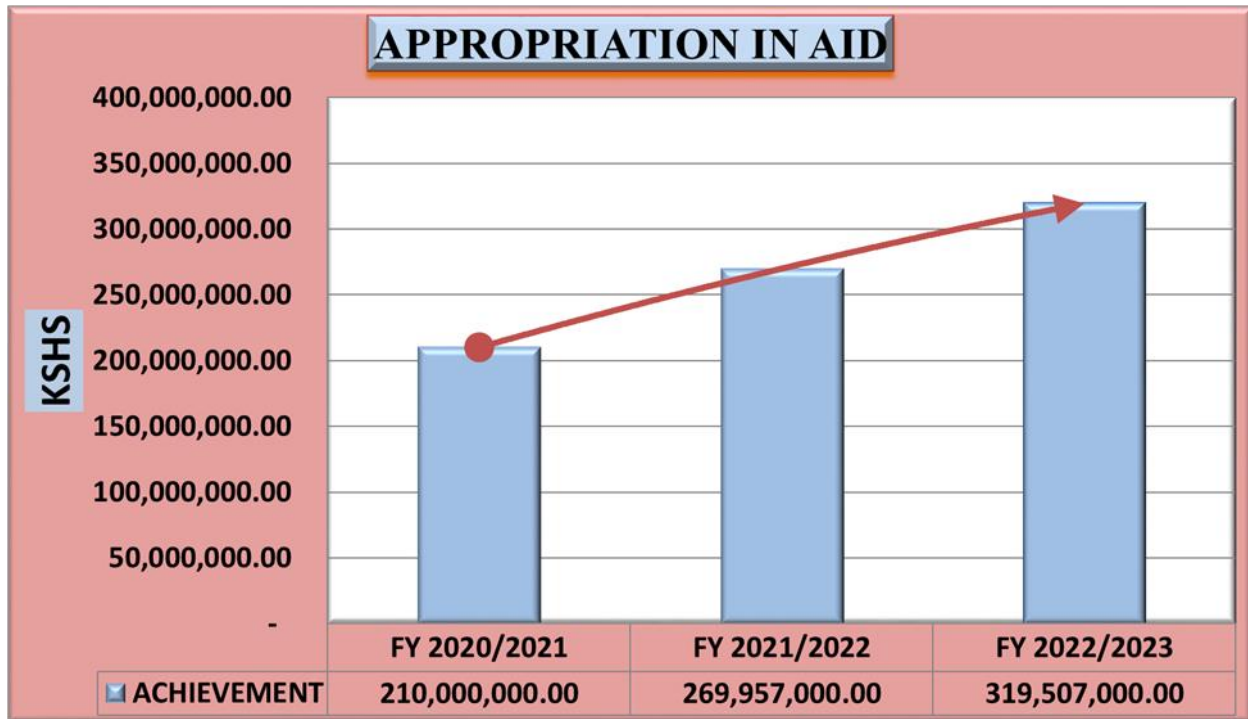
2. Capacity development to MSMEs



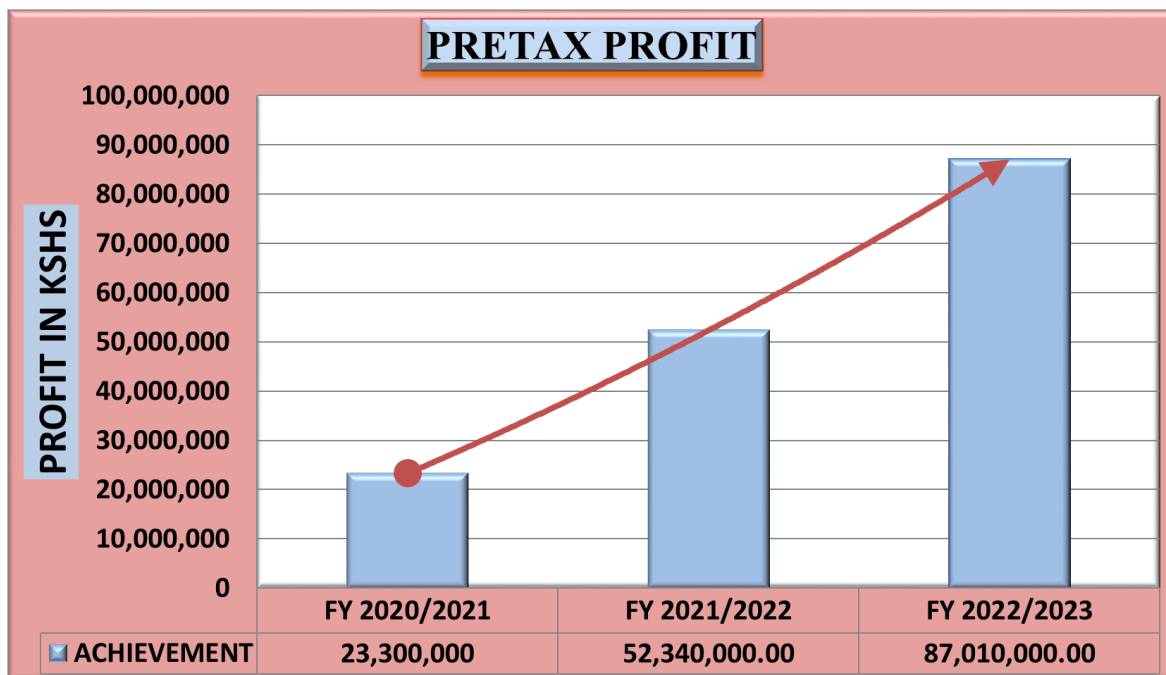
3. Facilitation of Linkages to MSMEs



4. Appropriation in Aid



5. Pre-tax profit



3.1.5.1 Other Key Achievements

During the last strategic plan period (2021-2023), KIE achieved an outstanding excellent performance rating under performance contracting, and was ranked among the best performing State Corporations for the three (3) consecutive years. In addition, during the period, the organization grew its loan book from Kshs. 1.1billion to 3.5billion, trained over 150,000 Entrepreneurs and linked 20,803 MSMEs to markets for their products through participation in exhibitions, shows and trade fairs. KIE was rated the best overall non-banking financial institution in Nairobi International Trade Fair, Kenya and Nakuru agricultural show for three years consecutively.

The organization also enhanced collaboration and partnerships with international organisations in development of MSMEs including World Bank under the Kenya Industry and Entrepreneurship Project (KIEP) through the Ministry of Investments, Trade and Industry, Giz, Stanbic foundation, County governments. Other key achievements included cleaning of the balance sheet and declaration of profits after a long while in losses.

3.1.5.2 Challenges faced by KIE

The institution encountered a number of challenges during the implementation of the previous strategic plan (2021-2023) among them:

- i) Inadequate financial resources to (1) support KIE programmes (credit to SMEs and expansion of industrial incubation centres); (2) to keep up with modern technological advancements and digitization of processes to enhance its operational efficiency; and (3) to carry out staff training and development to skill and upskill to enhance staff capacity and succession planning.
- ii) Effects of Covid-19 which led to disruptions of global supply chains and lock-downs negatively impacted SMEs some of which suspended operations or completely closed down. Further, instances of political unrest around electioneering period in some parts of the country have in the past led to high default rate due to collapse of projects arising from vulnerabilities of such unrests.
- iii) Lack of collateral securities by entrepreneurs in some parts of the country locked out a number of SMEs from accessing KIE loan product. Additionally, delays in loan processing occasioned by slow processes at the Lands registry resulted in customer complaints.
- iv) Unpredictable legislative and regulatory framework and pending bills impacted SMEs negatively. Low adherence to loan repayments due to the general public perception of loans as government grants as opposed to credit facility.

3.1.5.3 Lessons Learnt

Reflecting on the successes and challenges, KIE has garnered lessons for the future. These include; to continually innovate and adapt to business changing environment, capacity building for loan generation and appraisal to help address the bad loans which are mostly created at the entry level arising from low due-diligence. Similarly, timely loan disbursements will lead to better loan performance.

There is need to build Strategic Partnerships for resource mobilization in order to enhance the organizational resources and capabilities and bridge the resource gaps. Digitalization of institution's processes and internet connectivity of all branches to enhance service delivery.

3.2 Stakeholder Analysis

KIE has strong linkages with Stakeholders who have an interest in what the Organization does as it impacts on them in one way or the other. It recognizes that the Stakeholders can either facilitate or impede its work and therefore, there is need to build good working relationships. A Stakeholder mapping was done to understand the nature and extent of the functional relationships. A summary of the analysis is as shown in the table below.

Table 3.5: Stakeholder Analysis

NO.	STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	KIE EXPECTATIONS
1.	Board of Directors	<ul style="list-style-type: none"> Strategic Direction and Policy Setting Governance and Oversight: Financial Oversight Performance Monitoring and Evaluation Risk Management: Appointment and Supervision of Management Stakeholder Engagement Resource Mobilization 	<ul style="list-style-type: none"> Efficient and effective service delivery Increased productivity Dedicated workforce Implementation of organization's mandate Compliance with statutory Adherence to core values 	<ul style="list-style-type: none"> Resource mobilisation Policy approvals Conducive work environment Staff development
2.	Management and Staff	<ul style="list-style-type: none"> Operational Management Implementation of Strategic Plan Financial Management Human Resource Management Performance Monitoring and Reporting Stakeholder Engagement Risk Management Innovation and Development Quality Assurance and Compliance Resource Mobilization and Allocation Customer Service Delivery 	<ul style="list-style-type: none"> Staff welfare Fair remuneration Facilitation and provision of working tools 	<ul style="list-style-type: none"> High productivity Good corporate governance Commitment
3.	Customers	<ul style="list-style-type: none"> Uptake of KIE products to drive Industrial Growth Job Creation and Employment Market Expansion 	<ul style="list-style-type: none"> Access to affordable credit Incubation services Business advisory services Linkages 	<ul style="list-style-type: none"> Offer relevant products that meet the demand of SMEs

NO.	STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	KIE EXPECTATIONS
				<ul style="list-style-type: none"> • Compliance with rules and regulations
4.	Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSMEs) Development	<ul style="list-style-type: none"> • Sector Policy direction • Regulatory Oversight • Budgeting Support • Capacity Building and Training 	<ul style="list-style-type: none"> • Sustainable organization • Effective implementation of Mandate • Implementation of government agenda 	<ul style="list-style-type: none"> • Policy direction • Funding and Resource Allocation
5.	National Treasury and Economic Planning	<ul style="list-style-type: none"> • Budgetary allocation and Financial Support • Policy Direction • Public-Private Partnerships (PPPs) • Financial Oversight and Accountability • Macro-Economic Stability • Resource Mobilization 	<ul style="list-style-type: none"> • Prudent project management • Loan repayments 	<ul style="list-style-type: none"> • Adequate resources for operation • Appropriate financial guidance
6.	Ministry of Investments, Trade and Industry	<ul style="list-style-type: none"> • Policy direction • Regulatory Oversight • Partnership and Support 	<ul style="list-style-type: none"> • Sustainable organization • Mandate implementation • Implementation of government agenda 	<ul style="list-style-type: none"> • Policy direction • Collaboration & Partnership
7.	Kenya National Chamber of Commerce & Industry	<ul style="list-style-type: none"> • Advocacy and Policy Influence • Business Networking and Linkages • Capacity Building and Training • Market Access and Promotion • Collaboration and Partnership • Business Environment Improvement • Representation and Advocacy for SMEs 	<ul style="list-style-type: none"> • Collaboration and Partnership 	<ul style="list-style-type: none"> • Collaboration & Partnership • Market linkages

NO.	STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	KIE EXPECTATIONS
8.	County Governments	<ul style="list-style-type: none"> County Economic Development Planning Provision of Land and Facilities for industrial development Supporting Local Investment Promotion 	<ul style="list-style-type: none"> Collaboration and Partnership Effective and efficient delivery services 	<ul style="list-style-type: none"> Advance products through Collaboration and Partnership Provision of land for development of incubation services
9.	Financial institutions	<ul style="list-style-type: none"> Support, partnership and collaborations 	<ul style="list-style-type: none"> Collaboration and Partnership Loan repayment 	<ul style="list-style-type: none"> Collaboration and Support Affordable credit
10.	Industry associations and lobby groups (Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce & Industry(KNCC&I), Kenya National Federation of Jua Kali Association, Kenya Private Sector Association (KEPSA)	<ul style="list-style-type: none"> Advocacy and Policy Influence Business Networking and Linkages Capacity Building and Training Market Access and Promotion Resource Mobilization and Financial Support Business Environment Improvement Representation and Advocacy for SMEs Collaboration and Partnership Building 	<ul style="list-style-type: none"> Collaboration and Partnership Quality assurance 	<ul style="list-style-type: none"> Collaboration and Partnership Market linkages
11.	Kenya Association of Manufacturers	<ul style="list-style-type: none"> Market Development and linkages 	<ul style="list-style-type: none"> Collaboration and Partnership 	<ul style="list-style-type: none"> Collaboration and Partnership
12.	KIE service provider and suppliers	<ul style="list-style-type: none"> Providing the necessary services 	<ul style="list-style-type: none"> Collaboration and Partnership Prompt payment for services rendered 	<ul style="list-style-type: none"> Quality services
13.	Sector institutions e.g. KEBS, KIRDI, KIPI, KIBT, MSEA, Financial inclusion Fund, WEF, YEF)	<ul style="list-style-type: none"> Support in Facilitating Investment and Growth Enhancing linkages Collaboration with Development Partners 	<ul style="list-style-type: none"> Collaboration and Partnership 	<ul style="list-style-type: none"> Collaboration, support, and Partnership
14.	Regulatory Bodies	<ul style="list-style-type: none"> Regulatory Compliance 	<ul style="list-style-type: none"> Quality Assurance and standards Good corporate governance 	<ul style="list-style-type: none"> Appropriate regulatory guidelines

NO.	STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	KIE EXPECTATIONS
			<ul style="list-style-type: none"> • Compliance with the regulatory requirements 	
15.	General Public	<ul style="list-style-type: none"> • Support KIE' Mandate 	<ul style="list-style-type: none"> • Good governance and conduct of ethical behaviour 	<ul style="list-style-type: none"> • Active public participation • Provide constructive feedback on KIE services

CHAPTER FOUR

STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

4.0 Overview

This Chapter narrates the Strategic Issues, Strategic Goals and Key Result Areas.

4.1 Strategic issues

The following are the strategic issues emanating from KIE organisational analysis:

- 1) Accessibility and affordability of credit by SMEs
- 2) Availability of appropriate industrial workspaces
- 3) Survival and growth of SMEs
- 4) Inadequate entrepreneurial capacity by SMEs
- 5) Inter-firm linkages
- 6) Human capital
- 7) Financial Sustainability
- 8) Information Communication Technology
- 9) Visibility, branding and customer experience
- 10) Leadership and Governance
- 11) Environmental sustainability

4.2 Strategic Goals

The following strategic goals indicate what KIE is hoping to achieve in the long term:

- 1) Increase access to affordable credit by SMEs
- 2) Increase appropriate industrial workspace for SMEs
- 3) Accelerate growth/graduation for Incubatees
- 4) Enhance growth and sustainability of entrepreneurial capacity for SMEs
- 5) Facilitate inter-firm linkages
- 6) Optimise skilled and motivated human capital
- 7) Attain financial sustainability
- 8) Fully embrace ICT across the network
- 9) Improve visibility, branding and customer experience
- 10) Embrace principle of Corporate Governance
- 11) Enhance environmental sustainability

4.3 Key Result Areas (KRAs)

The Strategy is anchored on the following five Key Result Areas developed on aspects that have been identified as key drivers of KIE mandate. Each KRA has corresponding Objectives and Strategies. These Key Result Areas are

- 1) Credit to SMEs
- 2) Industrial Estates & Incubation services
- 3) Entrepreneurship capacity development and linkages
- 4) Institutional Capacity

Table 4.1: Strategic Issues, Goals and KRAs

Strategic Issue	Goal	KRAs
Access to affordable credit by SMEs	Increase access to affordable credit by SMEs	KRA 1: Credit to SMEs
Availability of appropriate industrial workspaces	Increase appropriate industrial workspace for SMEs	KRA 2: Industrial Estates & Incubations services
Inadequate entrepreneurial capacity by SMEs	Enhance growth and sustainability of entrepreneurial capacity for SMEs	KRA 3: Entrepreneurship capacity development and linkages
Inter-firm linkages	Facilitate Inter-firm linkages	
Human capital	Optimum skilled and motivated human capital	KRA 4: Institutional Capacity
Financial Sustainability	To attain financial sustainability	
Information Communication Technology	Fully embrace ICT across the network	
Visibility, branding and customer experience	Improve visibility, branding and customer experience	
Leadership and Governance	Embrace principle of Corporate Governance	
Environmental sustainability	Enhance forest cover, green economy and environmental sustainability	

CHAPTER FIVE

STRATEGIC OBJECTIVES AND STRATEGIES

5.0 Overview

Chapter five explains the strategic objectives and strategic choices.

5.1 Strategic Objectives

The following strategic objectives will be used by KIE to achieve the strategic goals:

- 1) To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years
- 2) To establish fit for purpose workspaces in all the 47 counties
- 3) To accelerate growth for Small to Medium and medium to large enterprises of the incubatees
- 4) To enhance entrepreneurial capacity and skills for SMEs
- 5) To facilitate SMEs access to market, technology and other support services
- 6) To attract, develop and retain skilled and motivated staff
- 7) To enhance resource mobilisation and prudent financial management
- 8) To leverage on technology to enhance service delivery
- 9) To enhance visibility, branding and customer experience
- 10) To enhance good corporate governance and risk management
- 11) To enhance environmental sustainability

Table 5.1: Outcomes Annual Projections

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
KRA 1: Credit to SMEs							
1) To increase loan disbursements to SMEs by KS. 15 Billion for the next five years	Increased accessibility to affordable credit	Amount Disbursed to SMEs under BETA priority value chains (Kshs.M)	640	1,000	1,280	1,480	1,600
		Amount Disbursed to SMEs in other manufacturing/ value addition sectors (Kshs.M)	960	1,500	1,920	2,220	2,400

			Projections				
Strategic Objective	Outcome	Outcome Indicator	2023/24	2024/25	2025/26	2026/27	2027/28
		No. of SMEs Financed	3,200.00	5,000.00	6,400.00	7,400.00	8,000.00
		No. of jobs created (Direct)	48,000	75,000	96,000	111,000	120,000
KRA 2: Industrial Estates & Incubations services							
1) To establish fit for purpose workspaces in all the 47 counties	Industrial work space in 47 counties	No.	-	7	9	3	-
		Amount spent (Kshs. M)	-	1,260	1,620	540	-
KRA 3: Entrepreneurship capacity development and linkages							
1) To enhance entrepreneurial capacity and skills for SMEs	Enhanced growth and sustainability of entrepreneurial capacity for SMEs	No. of SMEs trained, mentored, or coached	50,000	50,000	50,000	50,000	50,000
2) To facilitate SMEs access to market, technology and other support services	Increased inter-firm linkages	No. of SMEs Linked	5,000	5,000	5,000	5,000	5,000
KRA 4: Institutional Capacity							
1) To attract, develop and retain skilled and motivated staff	Optimum level of motivated staff	Approved staff establishment	260	260	260	260	260

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
2) To enhance resource mobilisation and prudent financial management	Enhanced financial sustainability	Exchequer Amount allocated (Kshs .M)	502.7	1,400	1,500	1,600	502.7
	Funding from development partners- Kshs 8.05B	Amount mobilized from Development partners (Kshs .M)	-	2,012.5	2,012.5	2,012.5	2,012.5
	Internally Generated funds – Kshs. 4.6B	Amount Internally Generated (Kshs.M)	-	1,000	1,100	1,200	1,300
3) To leverage on technology to enhance service delivery	All KIE stations fully automated	Automation report (No.)	1	1	1	1	1
4) To enhance visibility, branding and customer experience	Improved visibility, branding and customer experience	Customer satisfaction report	85%	87%	88%	89%	90%
5) To enhance good corporate governance and risk management	Enhanced governance rating	Governance rating (AADFI) (%)	70%	75%	80%	85%	90%
	Increased forest	Tree planting reports	10,000	10,000	10,000	10,000	10,000

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
6)To enhance environmental sustainability	cover, green economy and environmental sustainability	Amount disbursed to Projects in green economy financed (Kshs. M)	-	25	25	25	25

5.2 Strategic Choices

So as to effectively realise the identified strategic goals and achieve intended outcomes, KIE will implement the strategy as per table 5.2 on strategic objectives and strategies;

Table 5.2: Strategic Objectives and Strategies

KRA	Strategic Objective(s)	Strategies
KRA1: Credit to SMEs	Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years	<ul style="list-style-type: none"> Focus on key priority sectors in manufacturing/ value addition including BETA priority value chains, agro-processing (Edible oil, Cotton, dairy, tea, rice among others), leather and leather products, textile and apparel, building and construction materials, blue economy, wood and wood products, metal fabrication, chemical manufacturing, ICT components, pharmaceuticals and commodities
		<ul style="list-style-type: none"> Enhancement of our current credit products and processes (consolidation and growth)
		<ul style="list-style-type: none"> Product diversification
		<ul style="list-style-type: none"> Collaboration & partnerships with other organizations/umbrella bodies
		<ul style="list-style-type: none"> Manage the Turn-Around Time (TAT)

KRA	Strategic Objective(s)	Strategies	
KRA2: Industrial Estates & Incubation Services	Strategic Objective 1: To establish fit for purpose workspaces in all the 47 counties	<ul style="list-style-type: none"> Establish 19 incubations centres in counties where KIE has no Industrial workspaces 	
		<ul style="list-style-type: none"> Establish incubation centres in 19 counties clustered industrial parks focusing the priority value chains including agro-processing, textile, building and construction 	
	Strategic Objective 2: To accelerate growth for Small to Medium and medium to large enterprises of the incubatees	<ul style="list-style-type: none"> Develop and implement an integrated incubation programme 	
		<ul style="list-style-type: none"> Monitor and evaluate the effectiveness of the incubation services 	
KRA3: Entrepreneurship capacity development and linkages	Strategic Objective 1: To enhance entrepreneurial capacity and skills for SMEs	<ul style="list-style-type: none"> Capacity Building and Skills Development 	
		<ul style="list-style-type: none"> Business Counselling, coaching and mentorship 	
		<ul style="list-style-type: none"> Training using voucher system to youth entrepreneurs-centre for entrepreneurship(C4E) 	
	Strategic Objective 2: To facilitate SMEs access to market, technology and other support services	<ul style="list-style-type: none"> Leverage on networks to expand access to information, technology and business networks to 5,000 SMEs per year 	
<ul style="list-style-type: none"> Establish an online exchange platform for SMEs 	KRA4: Institutional Capacity	Strategic Objective 1: To attract ,develop and retain skilled and motivated staff	<ul style="list-style-type: none"> Establish an optimal staff size
<ul style="list-style-type: none"> Improve performance management and reward system 			<ul style="list-style-type: none"> Enhance staff training and development
<ul style="list-style-type: none"> Improve staff welfare 			<ul style="list-style-type: none"> Establish succession planning and management framework
<ul style="list-style-type: none"> Increase awareness of organisational values and its adherence 			

KRA	Strategic Objective(s)	Strategies
	Strategic Objective 2: To enhance resource mobilisation and prudent financial management	<ul style="list-style-type: none"> ● Enhance resource mobilisation
		<ul style="list-style-type: none"> ● Ensure prudent management of financial resources
		<ul style="list-style-type: none"> ● Implement robust debt recovery mechanisms
	Strategic Objective 3: To leverage on technology to enhance service delivery	<ul style="list-style-type: none"> ● Ensure Connectivity to all branches
		<ul style="list-style-type: none"> ● Install ICT infrastructure
	Strategic Objective 4: To enhance visibility, branding and customer experience	<ul style="list-style-type: none"> ● Expand branch network
		<ul style="list-style-type: none"> ● Enhance brand awareness and visibility
		<ul style="list-style-type: none"> ● Enhance customer experience
	Strategic Objective 5: To enhance good corporate governance and risk management	<ul style="list-style-type: none"> ● Review and enhance internal policies
		<ul style="list-style-type: none"> ● Ensure strong risk management and internal control systems
	Strategic Objective 6: To enhance Environmental sustainability	<ul style="list-style-type: none"> ● Increase forest cover by Planting 10,000 trees per year for the next five years
		<ul style="list-style-type: none"> ● Finance 100 enterprises supporting green economy in the next 5 years

CHAPTER SIX

IMPLEMENTATION AND COORDINATION FRAMEWORK

6.0 Overview

This Chapter gives an outline of the implementation Plan which gives a narration of the action plan, Performance Contracting, Coordination Framework, Institutional Framework, Staff Establishment, Skills Set and Competence Development, Leadership Systems and Procedures as well as Risk Management Framework.

6.1 Implementation Plan

Table 6.1 below is the implementation plan describing how the Strategic Plan will be operationalise

Table 6.1: Action Plan

Strategic Issue: Access to affordable credit by SMEs																	
Strategic Goal: Increase access to affordable credit by SMEs																	
KRA1: Credit to SMEs																	
Outcome: Increased accessibility to affordable credit																	
Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years																	
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*		
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support	
Focus on key priority sectors in manufacturing/ value addition including BETA priority value chains, (agro-processing (Edible oil, cotton, dairy,	Develop products that are responsive to these sectors	Product developed	Number of products developed	5		5					16	7	7	7	7	CM	OM/CS PM/RM M/LM/ Marketing
	Implement the products under BETA	Products under BETA implemented	Loan disbursement to BETA priority sectors Performance	6 billion to 12,000 SMEs	640 million to 1,280 SM Es	1B to 2,000 SM Es	1.28 B to 2,560 SM Es	1.4 B to 2,960 SM Es	1.6 B to 3,200 SM Es	640	1,000	1,280	1,480	1,600	CM	OM/FM	

tea, rice among others), leather and leather products, textile and apparel, building and construction materials, blue economy, wood and wood products, metal fabrication, chemical manufacturing, ICT components, pharmaceuticals and commodities			nce reports	180,000 Direct jobs 720,000 indirect	192 00 direct jobs and 768 00 indirect jobs created	30, 000 direct jobs and 120 ,00 indirect jobs	38,4 00 direct jobs and 153, 600 indirect jobs	44, 40 direct jobs and 17 7,6 00 indirect jobs	48,0 00 direct jobs and 192, 000 indirect jobs	-	-	-	-	-	CM	OM
	Implement the products under the other manufacturing /value addition sectors	Products implemented	Loans disbursement Performance reports	9 billion to 18,000 SMEs	960 million to 1,920 SMEs	1,5 B to 3,000 SMEs	1,92 B to 3,840 SMEs	2,2 B to 4,400 SMEs	2,4 B to 4,800 SMEs	960	1,500	1,920	2,220	2,400	CM	OM

Strategic Issue: Access to affordable credit by SMEs

Strategic Goal: Increase access to affordable credit by SMEs

KRA1: Credit to SMEs

Outcome: Increased accessibility to affordable credit

Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years

Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
				270,000 Direct jobs and 1,080,000 indirect jobs created	28,800 direct jobs and 115,200 indirect jobs created	45,000 direct jobs and 180,000 indirect jobs	57,600 direct jobs and 230,400 indirect jobs	66,000 direct jobs and 266,000 indirect jobs	72,000 direct jobs and 288,000 indirect jobs	-	-	-	-	-	CM	FM/OM

Strategic Issue: Access to affordable credit by SMEs

Strategic Goal: Increase access to affordable credit by SMEs

KRA1: Credit to SMEs

Outcome: Increased accessibility to affordable credit

Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years

Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Enhancement of our current credit products and processes (consolidation and growth)	Digitalize the loan processes (loan application, appraisal, approval, external service providers and disbursement)	Loan processes digitalized	Digitalization report	process digitalized	10%	70%	20%			13.5	65	21.5	10	10	ICTM	ALL HoDs
	Capacity build lending team	Trained staff	Number of staff trained	235 staff trained	-	100	135	-	-	-	9	10.8	-	-	HR	CM/ICTM /FM/OM
Product diversification	Broaden loan product range	New products introduced	Number of new product	5		15				-	-	-	-	-	CM	OM/CS PM/RM M/LM/ Marketing

Strategic Issue: Access to affordable credit by SMEs

Strategic Goal: Increase access to affordable credit by SMEs

KRA1: Credit to SMEs

Outcome: Increased accessibility to affordable credit

Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years

Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Aggressive marketing of our products/services	Marketing campaigns undertaken	Marketing reports	20 campaigns undertaken	4 campaigns	4 campaigns	4 campaigns	4 campaigns	4 campaigns	10	10	10	10	10	Marketing	OM
Collaboration & partnerships with other organizations/umbrella bodies	Mapping of possible partners in the ecosystem	Partners mapped	Partners' mapping report	1	1	-	-	-	-	0.5	0.5	0.5	0.5	0.5	BASM	All HODS
	Develop, sign and implement MoUs	MoUs developed, signed and Implemented	Number of MoUs developed, signed and Implemented	10	1	2	2	2	3	0.2	0.5	0.5	0.5	0.5	BASM	Marketing

Strategic Issue: Access to affordable credit by SMEs

Strategic Goal: Increase access to affordable credit by SMEs

KRA1: Credit to SMEs

Outcome: Increased accessibility to affordable credit

Strategic Objective 1: To increase loan disbursements to SMEs by Kes. 15 Billion for the next five years

Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Manage the TAT	Re-engineer the loan process	Re-engineered loan process	Re-engineering report	1	1	-	-	-	-	2.5	1	-	-	-	CM	All HoDs
	Review and enhance internal lending policies, processes and procedures	Reviewed policies, processes and procedures	Review reports	1	-	1	-	-	-	-	0.5	-	-	-	CM	All HoDs/BOD
	Train/Capacity build lending team	Trained staff	Staff training reports	235 staff trained	-	100	135	-	-	-	8	10.8	-	-	HR	CM/ICTM/FM/OM

Strategic Issue: Availability of appropriate industrial workspaces																
Strategic Goal: Increase appropriate industrial workspace for SMEs																
KRA2: Industrial Estates & Incubation Services																
Outcome: Industrial work space in 47 counties																
Strategic Objective 1: To establish fit for purpose workspaces in all the 47 counties																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Establish 19 incubations centres in counties where KIE has no Industrial workspaces	Develop feasibility studies	Feasibility studies done	Feasibility study Reports	19	-	10	9	-	-	-	4	3.6	-	-	IEDIS M	FM
	PPP framework to Private Stakeholders.	PPP frameworks developed	PPP frameworks	4	-	2	2	-	-	-	0.5	0.5	-	-	IEDIS M	FM/ML.
	Mobilise resources (GoK, donors, PPP) for construction of industrial incubation centres	Funds allocated for development of incubation centres	Funds Aailed	3,420	-	1260	1620	540	-	-	1260	1620	540	-	IEDIS M	Board, MD & FM
	Collaborate with county governments for allocation of industrial land	MoU signed and additional space availed for development of industrial workspaces	Signed MoUs.	19	-	7	12	-	-	-	3.5	6.0	-	-	IEDIS	ML

Strategic Issue: Availability of appropriate industrial workspaces																
Strategic Goal: Increase appropriate industrial workspace for SMEs																
KRA2: Industrial Estates & Incubation Services																
Outcome: Industrial work space in 47 counties																
Strategic Objective 1: To establish fit for purpose workspaces in all the 47 counties																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Establish incubation centres in 19 counties clustered industrial parks focusing the priority value chains including agro-processing, textile, building and construction	Construct industrial workspaces in 19 counties	Construction of industrial workspaces in 19 counties undertaken	Incubation centres constructed	19	-	7	9	3	-	-	126.5	162.0	540	-	IEDIS M	FM/PM
	Collaboration with county governments	MoUs signed on collaboration points in the operations of the incubation centres	Number of MoUs signed on collaboration points in the operations of the incubation centres	19	-	12	7	-	-	-	6.0	3.5	-	-	IEDIS M	BASM
	Refurbish 35 existing industrial workspace /Incubation centres	Renovated Incubation centres	Renovation Report	35	-	10	10	10	5	-	155.5	150	150	75	IEDIS M	FM/PM

Strategic Issue: Availability of appropriate industrial workspaces																
Strategic Goal: Increase appropriate industrial workspace for SMEs																
KRA2: Industrial Estates & Incubation Services																
Outcome: Industrial work space in 47 counties																
Strategic Objective 1: To establish fit for purpose workspaces in all the 47 counties																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Leverage on technology and automation for effective management of incubation centres	Deployed technology in the management of industrial incubators	Technology deployment report	100%	-	100%	100%	100%	100%	-	6	-	-	-	IEDIS M	ICTM

Strategic Issue: Survival and growth of SMEs																
Strategic Goal: Accelerate growth/graduation for Incubatees																
KRA2: Incubation services																
Outcome: growth and graduation of incubatees																
Strategic Objective 2: To accelerate growth for Small to Medium and medium to large enterprises of the incubatees																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Develop and implement an integrated incubation programme	Conduct needs assessment for business support for incubatees	Needs Assessment undertaken	Needs Assessment report	1	-	1	-	-	-	-	1.0	-	-	-	IEDISM	BASM/OM
	Implement the necessary interventions to meet the identified needs	Business support Programme for incubatees developed and implemented	Business support Programme implementation report	100%	-	25%	25%	25%	25%	-	1.0	1.0	1.0	1.0	IEDISM	BASM/OM
Monitor and evaluate the effectiveness of the incubation services	Develop a monitoring and evaluation tool and undertake periodic reviews (monthly, quarterly)	Developed Monitoring and evaluation tool Monitoring and Monitoring and evaluation undertaken	Monitoring and evaluation reports	5	1	1	1	1	1	1	0.1	0.1	0.1	0.1	IEDISM	CSPM
	Implement report recommendations	Recommendations implemented	Implementation reports	100%	-	50%	100%	100%	100%	-	-	-	-	-	IEDISM	OM

Strategic Issue: Inadequate entrepreneurial capacity by SMEs																
Strategic Goal: Enhance growth and sustainability of entrepreneurial capacity for SMEs																
KRA3: Entrepreneurship capacity development and linkages																
Outcome: Enhanced growth and sustainability of entrepreneurial capacity for SMEs																
Strategic Objective 1: To enhance entrepreneurial capacity and skills for SMEs																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Capacity Building and Skills Development	Review curriculum	Reviewed training curriculum	Training Curriculum	1	-	1	-	-	-	-	10	-	-	-	MECD & L	OM
	Undertake Entrepreneurial training	Entrepreneurs trained	Training report	250,000	50,000	50,000	50,000	50,000	50,000	5	5	5	5	5	MECD & L	OM
	Impact monitoring, evaluation and reporting	MELR undertaken	MELR report	5	1	1	1	1	1	2	2	2	2	2	MECD & L	OM
Business Counselling, coaching and mentorship	Develop the program	counselling & coaching program Developed	counselling Program	10,000	-	2500	2500	2500	2500	-	15	15	15	15	MECD & L	OM
Training using voucher system to youth entrepreneurs-centre for entrepreneurship (C4E)	Sensitization the program	Youth sensitised	sensitization report	40,000 youths	-	10,000	10,000	10,000	10,000	-	303	303	303	303	MECD & L	OM

Strategic Issue: Inter-firm linkages																
Strategic Goal: Facilitate inter-firm linkages																
KRA3: Entrepreneurship capacity development and linkages																
Outcome: Increased inter-firm linkages																
Strategic Objective 2: To facilitate SMEs access to market, technology and other support services																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Leverage on networks to expand access to information, technology and business networks to 5,000 SMEs per year	Establish and roll out an exchange programs, exhibitions, trade fairs, business information centres	organised Events	Event reports	50	10	10	10	10	10		51.5	51.5	51.5	51.5	Marketing	OM/FM
Establish an online exchange platform for SMEs	Develop and operationalize an online exchange program platform for SMEs	Developed system	Exchange platform	1	-	1	1	-	-	5	15	5	5	5	MECD & L	ICTM

Strategic Issue: Human capital																
Strategic Goal: Optimum skilled and motivated human capital																
KRA4: Institutional Capacity																
Outcome: Optimum level of motivated staff																
Strategic Objective 1: To attract, develop and retain skilled and motivated staff																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Establish an optimal staff size	Carry out staffing needs assessment	Staff needs assessment undertaken	Staff needs assessment report	1	1	-	-	-	-	2	-	-	-	-	HRA M	All HODs
	Implement recommendations	Recommendations implemented	Implementation report	100%	-	25%	25%	25%	-	20	20	20	20	HRA M	FM	
Improve performance management and reward system	Develop and implement a reward and sanctions scheme	Developed reward and sanctions scheme	Approved scheme Implementation report	1	1	-	-	-	-	11	6.2	6.4	6.6	6.8	HRA M	All HODs
Enhance staff training and development	Undertake Training Needs Assessment	TNA undertaken	TNA report	1	1	-	-	-	-	-	-	-	-	-	HRA M	All HODs
	Implement recommendations	Implemented recommendations	implementation report	100%	83%	23%	23%	23%	6	20	20	20	20	HRA M	All HoDs	

Strategic Issue: Human capital																
Strategic Goal: Optimum skilled and motivated human capital																
KRA4: Institutional Capacity																
Outcome: Optimum level of motivated staff																
Strategic Objective 1: To attract, develop and retain skilled and motivated staff																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Improve staff welfare	Develop and implement a fitness and health programme	developed fitness and health Program	fitness and health program in place	1	-	1	-	-	-	-	6	2	2	2	HRA M	All HoDs
	Establish and implement mortgage and car loan schemes	Developed mortgage scheme	Mortgage scheme	2	1	1	-	-	-	20	120	120	120	120	HRA M	LM/FM
	Undertake employee satisfaction survey	Employee satisfaction survey undertaken	Survey report	1	-	1	-	-	-	-	1.5	-	-	-	HRA M	All Hods
	Implement survey recommendations	Survey recommendations implemented	Implementation reports	100%	-	25%	25%	25%	-	-	14.5	14	16	22	HRA M	All Hods

Strategic Issue: Human capital																
Strategic Goal: Optimum skilled and motivated human capital																
KRA4: Institutional Capacity																
Outcome: Optimum level of motivated staff																
Strategic Objective 1: To attract, develop and retain skilled and motivated staff																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Establish succession planning and management framework	Develop succession planning and management framework	Succession plans management framework developed	Succession plan	1	-	1	-	-	-	-	1	-	-	-	HRA M	All HoDs
	Implement succession planning strategy	Succession plan implemented	Succession plan implementation reports	100%	-	25%	25%	25%	-	-	-	-	-	HRA M	All HoDs	
Increase awareness of organisational values and its adherence	Develop initiative to enhance teamwork and organisation culture	Developed initiatives	Performance reports	49	-	49	-	49	-	-	8.92	5	8.92	5	HRA M	All HoDs

Strategic Issue: Financial Sustainability																
Strategic Goal: To attain financial sustainability																
KRA4: Institutional Capacity																
Outcome: Enhanced financial sustainability																
Strategic Objective 2: To enhance resource mobilisation and prudent financial management																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Enhance resource mobilisation.	Review and implement resource mobilisation strategy	Review Resource Mobilisation strategy	Resource mobilisation strategy	17.85 Billion	1	4.2	4.2	4.2	4.2	0.5	0.5	0.5	0.5	0.5	BAS	FM
		a) Exchequer budgetary allocation	Budget allocation	5.02B	-	502.7	140	150	160	-	1	1	1	1	FM	Budget committee
		b) Funding from development partners	Funding from development partners	8.23 B	-	2.06	2.06	2.06	2.06	-	1	1	1	1	BAS	FM
		c) Internally generate revenue (BAS, rent, Interest income)	Internally generated revenue enhanced	4.6B	-	1000	1100	1200	1300	-	1	1	1	1	FM	RM/BAS/IEDIS
Ensure prudent management of	Implement data analytics for better financial reporting	Implemented data analytics	Data analytics implementation reports	4	-	1	1	1	1	-	2	0.5	0.5	0.5	RM M FM	OM

Strategic Issue: Financial Sustainability																
Strategic Goal: To attain financial sustainability																
KRA4: Institutional Capacity																
Outcome: Enhanced financial sustainability																
Strategic Objective 2: To enhance resource mobilisation and prudent financial management																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
financial resources	Conduct regular financial audits to monitor resources allocation & application	Optimal resource utilisation	100% absorption of resources	100%	100%	100%	100%	100%	100%	-	3	3	3	3	IA	FM
	Implement cost saving measures to	Implemented cost saving measures	Cost cutting report	100%		100%	100%	100%	100%	-	1	1	1	1	FM	HRAM
	Asset management	Efficient management of assets	100% efficient	100%	-	100%	100%	100%	100%	-	1	1	1	1	FM	HRAM
Implement robust debt recovery mechanisms	Diversify SME loan portfolio to spread risk	Diversified loan portfolio	Sectors reports	1	-	1	-	-	-	-	-	-	-	-	CM	OM/RMM
	Effective loan Portfolio Management	Performing loan portfolio	PAR report	5%	5%	5%	5%	5%	5%	7	9	7.5	7.5	7.5	RM	OM

Strategic Issue: Information Communication Technology																
Strategic Goal: Fully embrace ICT across the network																
KRA 4: Institutional capacity																
Outcome: All KIE stations fully automated																
Strategic Objective 3: To leverage on technology to enhance service delivery																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Ensure Connectivity to all branches	Install and activate the network	WAN/LAN accessibility by all branches	WAN/LAN connectivity report	1	-	1	-	-	-	-	4.8	-	-	-	ICTM	MD/PO/FFM
Install ICT infrastructure	Install and operationalize an Integrated Banking and ERP system	Integrated Banking System and ERP	Banking System and ERP signoff certificates	1	-	-	1	-	-	-	-	52	-	-	ICTM	MD/PO/FFM
	Establish a data centre	Functional Data Centre	Data Centre signoff certificate	1	-	-	-	1	-	-	-	-	40	-	ICTM	MD/PO/FFM
	Procure ICT equipment	Procured Computers, laptops and other devices	Procurement report	200	5	55	50	50	40	1.25	13.75	12.25	12.25	10.00	ICTM	MD/PO/FFM
	Install CCTV system across the organisation	installed CCTV system	CCTV system	CCTV system in 37 outlets	-	2	20	10	5	-	6.0	4.0	2.0	0.5	ICTM	MD/PO/FFM

Strategic Issue: Information Communication Technology																
Strategic Goal: Fully embrace ICT across the network																
KRA 4: Institutional capacity																
Outcome: All KIE stations fully automated																
Strategic Objective 3: To leverage on technology to enhance service delivery																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Install Biometric System across the organisation	Installed Biometric System	Biometric system	Biometric system 37 outlets	-	-	37	-	-	-	-	4.0	-	-	ICTM	MD/PO/FM

Strategic Issue: Visibility, branding and customer experience																
Strategic Goal: Improve visibility, branding and customer experience																
KRA 4: Institutional Capacity																
Outcome: Improved visibility, branding and customer experience																
Strategic Objective 4: To enhance visibility, branding and customer experience																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Expand branch network	Open branches in 15 counties that are not covered in our branch network	15 branches opened	15 new branches	15	-	5	5	5	-	-	5	5	5	5	OM	IEDIS/LM
Enhance brand awareness and visibility	Undertaken Corporate social responsibility	Corporate social activities undertaken	Implementation reports	8 Activities	-	2	2	2	2	-	10	10	10	10	MPRM	MO/FM
	Undertake media engagements (Social, electronic & print)	Media engagements	Quarterly Media engagements reports	5,000 engagements	500	1000	1000	1250	1250	5	5	5	5	5	MPRM	MO/FM
	Undertake exhibition & trade fairs, road shows	Organize events	Event reports	20 events	4	4	4	4	4	10	10	10	10	10	MPRM	MO/FM
	Branding and signages	Planned Branding and	Branding and signage report	37 Sites	-	-	20	17	-	-	-	2	2	-	MPRM	MO/FM

Strategic Issue: Visibility, branding and customer experience																
Strategic Goal: Improve visibility, branding and customer experience																
KRA 4: Institutional Capacity																
Outcome: Improved visibility, branding and customer experience																
Strategic Objective 4: To enhance visibility, branding and customer experience																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
		signage design														
	Brand ambassadors	Planned activities	report	Company-wide	-	37	37	37	37	10	10	10	10	10	MPRM	MO/FMR
Enhance efficiency and effectiveness in service delivery	Transition to ISO 9001:2015 QMS	ISO 9001:2015 certification	ISO 9001:2015 certificate	1			1	-	-	-	3.5	1	1	1	CSPM	All HoDs
Enhance customer experience	Undertake staff training on customer care	Training undertaken	Training report	5	1	1	1	1	1	3	3	3	3	3	MPRM	All HoDS
	Undertake customer satisfaction survey	Survey undertaken	Customer satisfaction survey report	1	-	1	-	-	-	-	3	-	-	-	MPRM	OM

Strategic Issue: Leadership and Governance																
Strategic Goal: Embrace principle of Corporate Governance																
KRA 4: Institutional capacity																
Outcome: Enhanced corporate governance																
Strategic Objective 5: To enhance good corporate governance and risk management																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Review and enhance internal policies	Plan and conduct quarterly Board meetings	Quarterly Board Meetings	No. of meetings	20	4	4	4	4	4	12	12	12	12	12	MLS	All HoDs
	Review and approve policies and procedures	Reviewed and Approved policies and procedures	Policies and procedures	13 depts	-	13	-	-	-	-	2	-	-	-	BOARD	All HoDs
	Monitoring strategy implementation	Compliance to policies and procedures	Quarterly implementation reports	100%	100%	100%	100%	100%	100%	-	-	-	-	-	CSPM	All Hods
	Develop an optimal organisational structure	Developed organisational structure	Organizational structure	1	-	-	-	-	-	3M	-	-	-	-	HRAD	BOARD

Strategic Issue: Leadership and Governance																
Strategic Goal: Embrace principle of Corporate Governance																
KRA 4: Institutional capacity																
Outcome: Enhanced corporate governance																
Strategic Objective 5: To enhance good corporate governance and risk management																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Ensure strong risk management and internal control systems	Undertake internal audits	Internal audit reports	Quarterly Internal audit reports to the management and the Board	20	4	4	4	4	4	2.5 M	2.6 M	2.7 M	2.8 M	2.9 M	MIA	All HoDs
	Ensure compliance with the set policies and procedures	Evaluate the effectiveness of existing policies and procedures	Quarterly reports to management and the Board	20	4	4	4	4	4	0	0	0	0	0	MIA	All HoDs
	Strengthen audit systems	Strong audit systems	System audit report	1	-	1	1	1	1	-	5	5	5	5	MIA	ICTM/FM

Strategic Issue: Leadership and Governance																
Strategic Goal: Embrace principle of Corporate Governance																
KRA 4: Institutional capacity																
Outcome: Enhanced corporate governance																
Strategic Objective 5: To enhance good corporate governance and risk management																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
	Review and operationalize Enterprise Risk Management (ERM) Framework	Reviewed ERM Framework	ERM Framework	1	-	1	-	-	-	-	5	1	1	1	RMM	BOARD

Strategic Issue: Environmental sustainability																
Strategic Goal: Increase forest cover, green economy and environmental sustainability																
KRA4: Institutional Capacity																
Outcome: Enhanced environmental sustainability																
Strategic Objective 6: To enhance environmental sustainability																
Strategy	Key Activities	Expected Output	Output Indicators	Target For 5 years	Target					Budget (KSh. Mn)					Responsibility*	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Increase forest cover by planting 50,000 trees per year for the next five years	Plant 10,000 trees per year	Trees planted	Tree planting report	1	1	-	-	-	-	1	-	-	-	-	Climate change Unit (CCU)	OM/All HoDs
Finance 100 enterprises supporting green economy in the next 5 years	Seek collaboration with development partners for green funds	Collaboration developed	Collaboration reports	2	-	1	1	-	-	-	1	1	-	-	BASM	MD
	Fund projects within the green economy ecosystem	Green Projects Financed	Performance reports	100	-	25	25	25	25	-	50	50	50	100		

Title Acronyms in full

6.1.2 Annual Work plan and Budget

The Organization shall develop Annual Work Plans for implementation of the Strategic Plan prior to the budgeting cycle of the organization. Departmental budget shall be informed by the annual work plan, which in turn shall inform Annual Budget. This is towards allocating resources required for implementation of the Strategic Plan.

6.1.3 Performance Contracting

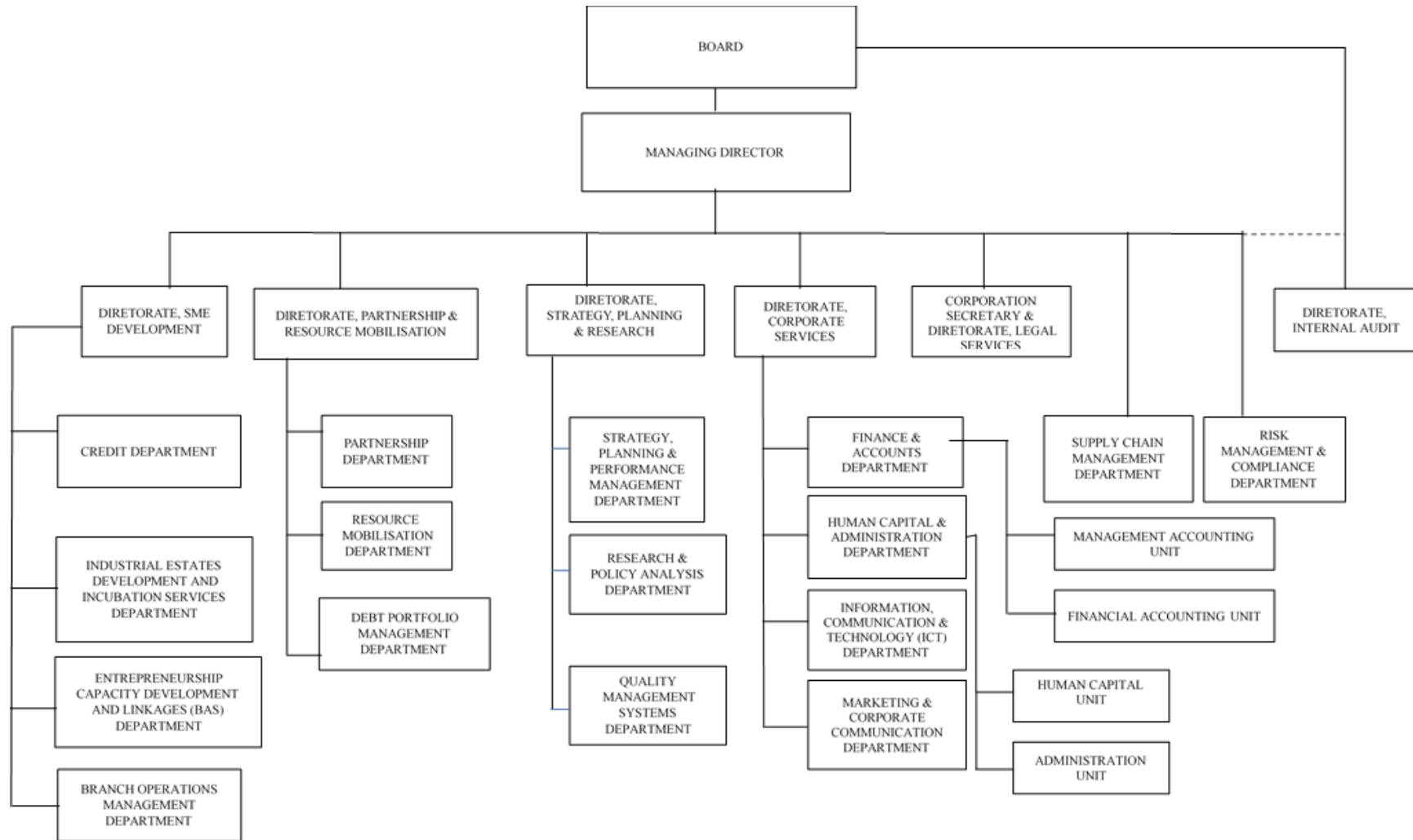
The organization shall develop annual performance contracts that include key result areas of the Strategic Plan. This will set targets and deliverables informed by the annual work plan of the Strategic Plan.

6.2 Coordination Framework

To ensure implementation of the Strategic Plan activities, CSPM shall ensure annual work plans are developed prior to annual target setting. This will be cascaded to departmental work plans and further to individual annual targets. Quarterly monitoring of the annual work plan shall be done and reported.

6.2.1 Institutional Framework

Organization Structure (Proposed)



6.2.2 Staff Establishment, Skills Set and Competence Development

Table 6.2: Staff Establishment

Cadre	Approved Establishment (A)	Optimal Staffing Levels (B)	In-Post (C)	Variance D = (B-C)
Managing Director	1	1	0	1
Personal Assistant to MD	1	1	0	1
Manager - Marketing & PR	1	1	0	1
Marketing & Public Relation Officer	1	1	2	-1
Procurement Manager	1	1	0	1
Assistant Manager - Procurement	0	0	1	1
Procurement Officer	1	1	0	1
Procurement Assistant	1	1	0	1
Storekeeper	1	1	1	0
Operations Manager	1	1	1	0
Senior Operations Officer	1	1	1	0
Operations Officer	1	1	1	0
Assistant Manager - Marketing & PR	1	1	0	1
Customer Care Assistant	2	2	1	1
Manager - HR & Admin	1	1	1	0
Assistant Manager - HR & Admin	1	1	0	1
Senior Administration Officer	1	1	0	1
HR Assistant	1	1	0	1
Dispatch Assistant	1	1	0	1
Manager - Corporate Strategy & Planning	1	1	1	0
Asst. Manager - Corporate Strategy & Planning	1	1	1	0

Cadre	Approved Establishment (A)	Optimal Staffing Levels (B)	In-Post (C)	Variance D = (B-C)
Senior Corporate Strategy & Planning Officer	1	1	0	1
Corporate Strategy & Planning Officer	1	1	0	1
Senior Research Officer	1	1	0	1
Planning & Research Officer	1	1	0	1
Manager – Credit	1	1	1	0
Assistant Manager – Credit	1	1	0	1
Manager - ICT	1	1	1	0
Assistant Manager - ICT	1	1	0	1
ICT Officer	1	1	1	0
Computer Programmer / Analyst	1	1	0	1
ICT Tutor	0	1	1	1
Technician (ICT)	2	2	2	0
Manager - BAS	1	1	1	0
Assistant Manager - BAS	1	1	0	1
Senior BAS Officer	1	1	1	0
BAS Officer	2	2	0	2
Manager - Risk Management	1	1	1	0
Assistant Manager - Risk Management	1	1	1	0
Senior Risk Officer	3	3	2	1
Risk Officer	5	5	4	1
Risk Assistant	1	1	0	1
Regional Manager	10	10	8	2
Branch Manager	24	39	23	1
Senior Credit Officer	7	7	4	3
Credit Officer	42	42	44	-2
Credit Assistant	33	33	27	6

Cadre	Approved Establishment (A)	Optimal Staffing Levels (B)	In-Post (C)	Variance D = (B-C)
Manager - Legal Service & CS	1	1	0	1
Assistant Manager – Legal	1	1	0	1
Senior Legal Officer			1	
Legal Officer	1	1	0	1
Legal Assistant	2	2	2	1
Legal Clerk	1	1	0	1
Manager – IEDIS	1	1	1	0
Assistant Manager – IEDIS	1	1	0	1
IEDIS - Officer	1	1	1	0
IEDIS - Assistant	1	1	0	1
Senior Internal Auditor	1	1	0	1
Manager - Internal Audit	1	1	1	0
Assistant Audit Manager	1	1	0	0
Internal Auditor	1	1	1	1
Finance Manager	1	1	1	0
Assistant Manager - Management Accounts	1	1	1	0
Senior Accountant	1	1	1	0
Assistant Accountant	1	1	0	1
Accounts Clerk - Data Entry	2	2	2	0
Cashier- Bookkeeper	1	1	2	1
Accounts Assistant	1	1	0	1
Accountants	4	4	2	2
Administration /Transport Officer	1	1	0	1
Administrative Assistant	33	33	23	10
Registry Clerk (Credit)	2	2	2	0
Registry Clerk (HR &Admin.)	1	1	0	1

Cadre	Approved Establishment (A)	Optimal Staffing Levels (B)	In-Post (C)	Variance D = (B-C)
Office Assistant	2	2	2	0
Switchboard Supervisor	1	1	0	1
Telephone Operator	1	1	1	0
Driver	31	31	26	5
MotorBike Rider	1	1	1	0
Security Assistant	2	2	2	0
	260	282	206	-54

Table 6.3: Skills Set and Competence Development

Cadre	Skills Set	Skills Gap	Competence Development
Managing Director	<ul style="list-style-type: none"> i) At least fifteen (15) years relevant experience in the Public Service or in a large and reputable organization in the private sector, ten (10) of which should be in a senior management position; ii) Bachelors Degree in Social Sciences, Economics, Strategic Management, Business Management, Commerce or related field from a recognized institution; iii) Masters Degree in Social Sciences, Economics, Strategic Management, Business Administration/ Management or related field from a recognized institution; iv) Strategic Leadership Course from a recognized Institution; v) Membership to a relevant professional body. 	Corporate governance	Continuing Professional Development programmes in leadership and governance
Manager	<ul style="list-style-type: none"> i) A minimum period of ten (10) years relevant work at least three 	Corporate governance	<ul style="list-style-type: none"> • Continuing Professional Development

Cadre	Skills Set	Skills Gap	Competence Development
	(3) years' experience in management; ii) Master's degree in Strategic Management, Business Management, Risk Management; iii) Bachelor's degree in Commerce, Statistics, Mathematics, Computer Science, Information Technology, Business Management; iv) Leadership Course from recognize institution; v) Membership to a relevant professional body; vi) CPA, ACCA, CISA, CIA; vii) Interpersonal skills, Negotiation skills, Attention to detail.		programmes in leadership and governance <ul style="list-style-type: none"> • Leadership, Ethics & Integrity Course Training • Mentorship training programme
Assistant Manager	i) A minimum period eight of (8) years relevant work experience three (3) of which should have been at the level of senior officer; ii) Master's degree in Strategic Management, Business Management, Risk Management; iii) Bachelor's degree in Commerce, Statistics, Mathematics, Computer Science, Information Technology, Business Management; iv) Leadership Course from recognized institution; v) Proficiency in computer applications; vi) Membership to a relevant professional body; vii) CPA, ACCA, CISA, CIA; viii) Interpersonal skills, Negotiation skills, Attention to detail	<ul style="list-style-type: none"> • Management skills 	<ul style="list-style-type: none"> • Management masterclass • Continuing Professional Development programmes in leadership
Senior Officer	i) Served as Officer or its equivalent for a minimum period of 5 years;	<ul style="list-style-type: none"> • Supervisory skills 	<ul style="list-style-type: none"> • Supervisory courses

Cadre	Skills Set	Skills Gap	Competence Development
	<ul style="list-style-type: none"> ii) Bachelor's Degree in Commerce, business Administration, Law or equivalent qualification from a recognized institution; iii) Proficiency in computer applications; iv) Shown merit and ability as reflected in work performance and results 	<ul style="list-style-type: none"> • Advanced Excel skills • Customer handling procedure • Public speaking and presentation skills 	<ul style="list-style-type: none"> • Advanced Excel & financial modelling • Customer experience training • Public speaking and presentation skills training
Credit Officers	<ul style="list-style-type: none"> i) Bachelor's degree in business related field from a recognized institution; ii) Proficiency in computer applications; iii) Shown merit and ability as reflected in work performance and results 	<ul style="list-style-type: none"> • Turnaround time • SME Management • Loan Application errors • Customer handling procedure • Public speaking and presentation skills 	<ul style="list-style-type: none"> • Credit Risk Management Training • Entrepreneurship training • Loan processing training • Customer experience training • Public speaking and presentation skills training
Credit Assistant	<ul style="list-style-type: none"> i) Three (3) years relevant work experience; ii) O-Level Certificate (C -); iii) Diploma in business / management field from a recognized institution; iv) Proficiency in computer applications; v) Shown merit and ability as reflected in work performance and results. 	<ul style="list-style-type: none"> • Turnaround time • SME Management • Loan Application errors • Customer handling procedure • Public speaking and presentation skills 	<ul style="list-style-type: none"> • Credit Risk Management Training • Entrepreneurship training • Loan processing training • Customer experience training • Public speaking and presentation skills
Senior Administrative Assistant	<ul style="list-style-type: none"> i) Relevant experience of not less than three (3) years in the position of Assistant administrator or a comparable position in the Public Service or other reputable organization ii) Diploma in Secretarial studies or other relevant qualification from a recognized institution; 	<ul style="list-style-type: none"> • Supervisory skills • Adaptability and problem solving • Minute writing skills 	<ul style="list-style-type: none"> • Supervisory skills training • Executive Secretarial Management Programme • Minutes writing Training • Communication and Etiquette Skills

Cadre	Skills Set	Skills Gap	Competence Development
	iii) Proficiency in Computer Applications; Shown merit and ability as reflected in work performance and results		
Administrative Assistant	i) Diploma in Secretarial Studies or other relevant qualification from a recognized institution; ii) Proficiency in computer applications	<ul style="list-style-type: none"> • Supervisory skills • Adaptability and problem solving skills • Minute writing skills 	<ul style="list-style-type: none"> • Supervisory skills training • Executive Secretarial Management Programme • Minutes writing Training • Communication and Etiquette Skills • Government protocols training
Office Assistant	i) A minimum of four (4) years relevant work experience; ii) Kenya Certificate of Secondary Education (KCSE) or its equivalent qualification from a recognized qualification; iii) Proficiency in computer applications; iv) Relevant professional/trade certificate.	Business management skills	Certificate in Business Management
Security Assistant	i) Four (4) years work experience in security service; ii) Attained KCSE or equivalent qualification; iii) Advanced Certificate in First Aid.	Security Management Skills	Security Skills
Senior Driver	i) A minimum period of three (3) years work experience; ii) Kenya Certificate of Secondary Education (KCSE) certificate or its equivalent; iii) Valid Class BCE Driving License free from any endorsement; iv) Defensive Driving Certificate from a recognized institution; v) Proficiency in computer applications;	<ul style="list-style-type: none"> • Defensive driving skills • First aid Occupational Trade Test for driving skills 	<ul style="list-style-type: none"> • Defensive driving • First aid training Occupational Trade Test Grade I for drivers

Cadre	Skills Set	Skills Gap	Competence Development
	vi) Refresher course for drivers lasting not less than one (1) week from a recognized institution; vii) Shown merit and ability as reflected in work performance and results.		
Driver	i) Relevant experience of not less than four (4) years; ii) Kenya Certificate of Secondary Education (KCSE) its equivalent; iii) Proficiency in computer applications; iv) Valid Class BCE Driving License free from any endorsement; v) Occupational Trade Test Grade III for drivers.	<ul style="list-style-type: none"> • Defensive driving skills • First aid • Occupational Trade Test for driving skills 	<ul style="list-style-type: none"> • Defensive driving • First aid training • Occupational Trade Test Grade II for drivers

6.2.3 Leadership

The Board will issue strategic direction on implementation of the strategic plan, facilitate resource allocation and monitor on quarterly basis. Senior management shall develop, implement and monitor annual work plans.

6.2.4 Systems and Procedures

The organization will continuously improve on its systems, processes and procedures for effective implementation of the strategic plan. The organisation will strive to excel quality management systems standards and adopt information and communication technology in digitalizing its service delivery.

6.3 Risk Management Framework

KIE maintains a robust Enterprise Risk Management (ERM) framework to ensure that:

- i) All risks are identified and assessed based on the likelihood of the risk occurring and the impact of any occurrence of such risk. The likelihood of risk shall be the probability/possibility that a given event will occur. The impact of a risk shall be the result or effect of an event.
- ii) The initial identification and assessment of risk will focus on the inherent exposure, which is the pure exposure without consideration of any mitigation through risk responses. Once identified and assessed all inherent risks shall also be assessed as to the net residual exposure, which is the level of risk remaining after mitigating factors have been considered.

- iii) The ERM framework shall set out agreed upon risk response mechanisms. Each risk shall be evaluated to confirm appropriate risk responses have been put in place to address the likelihood and the impact of an occurrence of such risk. Agreed upon risk responses shall include; the acceptance of risk; the establishment of risk mitigation controls and action plans; the sharing of risk with third parties; and the adoption of other risk avoidance measures. Risk responses put into effect by management shall be reviewed, evaluated and confirmed by the Board of Directors.
- iv) The ERM framework will separate identified risks into the following risk categories for effective risk management:
 - a) Financial Risk: Risk events associated with economic conditions, capital structure, liquidity, credit, and profitability.
 - b) Operational Risk: Risk events associated with business processes, customer service and products, people, infrastructure investments, internal controls and regulatory and legal compliance.
 - c) Strategic Risk: Risk events associated with strategic decisions, including growth strategies, mergers or partnerships, acquisitions, and reputation.

Table 6.4: Risk Management Framework

Provision of Credit					
S/NO.	Risks	Risk likelihood (L/M/H)	Severity (L/M/H)	Overall Risk level (L/M/H)	Mitigation measures
1	High default rates	M	H	M	Conduct thorough credit assessments; implement robust recovery procedures.
2	Inadequate capital	M	H	H	Diversify funding sources; establish partnerships with financial institutions.
3	Economic downturn	M	H	H	Create financial buffers: revolving account, engage in risk transfer/sharing mechanisms.
4	Regulatory changes in the financial sector	M	M	M	Stay updated with regulatory changes; engage in policy advocacy.
5	Technological obsolescence and Rapid technological advancements in Credit Risk management	M	M	M	Implement comprehensive credit risk management systems; regularly update technology; invest in R&D and current credit application and appraisal software.
Incubation and Provision of Industrial Working Space					
1	Poor infrastructure	M	H	M	Invest in infrastructure; do regular upgrades of working space to match market needs.
2	High operational costs	M	M	M	Implement cost-control measures; optimize resource use and ensure all spaces are occupied and documented.
3	Environmental regulations	M	M	M	Ensure compliance with environmental laws; adopt sustainable practices.
4	Limited space availability	M	H	H	Undertake an expansion plan; utilize space efficiently.
Business Advisory Services					
1	Inadequate skilled advisors	M	M	M	Invest in training programs; Equip Consultants with current market needs
2	Low uptake of advisory services	M	M	M	Enhance awareness campaigns; demonstrate value of services.
3	Changes in SME Training needs and trends	M	M	M	Stay updated with market trends; provide relevant training to SMEs
4	Ineffective advisory strategies	M	L	L	Continuously evaluate and improve advisory services.

5	Competition from private advisory firms	M	M	M	Differentiate services; highlight unique value propositions.
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CHAPTER SEVEN

RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

7.0 Overview

This chapter summarizes annual budget estimates of the resource requirements to implement the strategic plan, resource mobilization strategies to bridge resource gaps identified and resource management to optimize resources that will be available towards implementation of the plan. The availability of the resource requirements will be critical towards full implementation of the Plan. Based on the previous financing trend and the resource requirements, there is a deficit that will need to be bridged to fully implement the plan. The organization will pursue resource mobilization strategies to bridge the funding gap thus ensure successful implementation of the Strategic Plan. The organization will prudently manage resources requirements that it will be available and ensure they are optimally harnessed to implement the Plan.

7.1 Financial Requirements

Table 7.1. Financial Requirements for Implementing the Strategic Plan

Cost Item	Projected Resource Requirements (Ksh. Mn)					
	2023/24	2024/25	2025/26	2026/27	2027/28	Total
KRA1: Credit to SMEs	1,640.20	2,612.50	3,241.10	3,728.00	4,028.00	15,249.80
KRA2: Industrial Estates & Incubation services	-	2,856.50	3,561.60	1,391.00	161.00	7,970.10
KRA3: Entrepreneurship capacity development and linkages	13.00	401.50	381.50	381.50	381.50	1,559.00
KRA4: Institutional Capacity	98.75	377.77	408.85	387.07	392.00	1,367.64
KRA5:	6.00	64.00	66.00	56.00	105.00	297.00
Administrative Cost	577.40	579.41	606.85	633.65	653.65	3,050.96
Total	2,329.35	6,827.68	8,199.90	6,521.22	5,616.35	29,494.50

Table 7.2: Resource Gaps

Financial Year	Estimated Financial Requirements (KSh. Mn)	Estimated Allocations (KSh. Mn)	Variance (KSh. Mn)
2023/24	2,329.35	902.26	-1,427.09
2024/25	6,827.68	1,664.54	-5,163.14
2025/26	8,199.90	2,426.82	-5,773.08
2026/27	6,521.22	3,189.10	-3,332.12
2027/28	5,616.35	3,951.38	-1,664.97
Total	29,494.50	12,8134.10	-17,360.40

7.2 Resource Mobilization Strategies (multi-laterals)

The organization will seek to mobilize resources to meet the resource requirements to implement the plan while ensuring the organization’s financial sustainability. To finance the Strategic Plan, the organization will solicit for substantial increase of Exchequer funding and scale up resource mobilization to complement Exchequer allocation. The organization will mobilize financial resources for its activities in the following ways:

- 1) The organization mainly relies on budget allocation by the National Treasury through budget policy statements. The organization to seek funding from a mix of government grants, private donations, corporate sponsorships, foundations, and international aid to reduce financial vulnerability.
- 2) The organization will build strong resource mobilization capabilities including establishing an independent unit to secure funding from various sources. Further, it will tailor proposals to the specific requirements of different donors and clearly articulate the agency's mission, objectives, and the expected impact of its programs.
- 3) Leverage digital platforms and social media to reach a broader audience.
- 4) Develop engaging content, share success stories, and use targeted campaigns to drive online donations.
- 5) Partner/Collaborate with other relevant agencies in undertaking similar activities to reduce operational cost.
- 6) Enhance income from Consultancy services including resource mapping, feasibility studies, market research etc.
- 7) Development Partnerships for Funding

7.3 Resource Management

The government is implementing the Bottom-up Economic Transformation Agenda, (BETA) geared towards bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving the country’s foreign exchange balance as well as promoting inclusive growth. Micro Small & Medium Enterprises (SMEs) have been premised to play a critical role in the realization of BETA objectives

as they are the cornerstone for manufacturing and value addition, an imperative intervention towards its implementation.

Kenya Industrial Estates (KIE) has since 1967, through its network of 37 branches and 35 industrial estates, effectively discharged its core mandate of supporting SMEs in manufacturing and value addition sectors through its integrated incubation program approach that includes access to affordable credit, industrial workspace and entrepreneurial capacity building. Under the BETA priority value chains, KIE endeavours to support SMEs in manufacturing and value addition sectors in four high impact focus (jobs & wealth creation) areas: edible oils, cotton, dairy, Building & construction materials.

Program		BETA Value Chains	Base line	Target	
Credit to SME's	1	Agro-processing	i) Edible Oils	12,000,000	250,000,000
			ii) Livestock & Dairy	59,800,000	250,000,000
			iii) Coffee	20,000,000	250,000,000
			iv) Macadamia Nuts	10,000,000	150,000,000
			v) Cotton	-	150,000,000
			vi) Rice	5,000,000	100,000,000
			vii) Bakery and Confectionary	18,300,000	50,000,000
			viii) Flour Milling and Cereals	81,765,000	300,000,000
			ix) Tea	-	50,000,000
	Total for Agro-processing		206,865,000	1,550,000,000	
	Leather & leather Products		22,000,000	200,000,000	
	Textile & Garments		47,100,000	200,000,000	
	Wood and Metal Fabrication		117,950,000	200,000,000	
	Building and Construction Materials		195,960,000	300,000,000	
	Furniture and Wood		41,650,000	100,000,000	
	Automotive Products and Services		59,205,000	100,000,000	
Electricals and Electronics		21,185,000	70,000,000		
Agro-chemicals		53,570,000	70,000,000		
Hygiene Products		10,000,000	30,000,000		
	2	Service/Support Sectors	135,498,000	150,000,000	
	3	Group Guarantee Loan Scheme	6,630,000	30,000,000	
SUBTOTAL			710,748,000	1,450,000,000	
GRAND TOTAL			917,613,000	3,000,000,000	

CHAPTER EIGHT

MONITORING, EVALUATION AND REPORTING FRAMEWORK

8.0 Overview

This Chapter provides the Monitoring, Evaluation and Reporting framework for the organization that will ensure implementation is on track.

8.1 Monitoring Framework

Monitoring the implementation of the Strategic Plan shall be based on the annual work-plans. Progress for each activity shall be measured against specific targets in the Plan and reporting done on quarterly and annual basis. Results from the analysis shall be used to inform decision-making, identify challenges and take immediate corrective action. Data collected during monitoring shall be used for performance evaluation. The following monitoring mechanisms shall be applied:

- 1) Comparing KIE's performance against industry benchmarks, best practices, or past performance to identify areas for improvement and track progress over time.
- 2) Conduct regular site visits and inspections of industrial estates, facilities, and infrastructure to assess their condition, functionality, and maintenance requirements. Document observations, identify issues, and take corrective actions to address deficiencies promptly.
- 3) Conduct surveys and interviews with industrial tenants, SMEs, stakeholders, and employees to gather feedback, assess satisfaction levels, and identify areas for improvement. Use structured questionnaires and sampling techniques to ensure data reliability and representativeness.
- 4) Dashboards can provide at-a-glance summaries of key metrics, enabling stakeholders to monitor performance and make informed decisions in real time.
- 5) Key Performance Indicators (KPIs) that align with KIE's strategic objectives and key result areas. These KPIs should be measurable, relevant, and time-bound, allowing for ongoing monitoring of progress and performance.
- 6) Project management tools can provide real-time visibility into project status, milestones, and deliverables, facilitating coordination and communication among team members.
- 7) Establish a reporting schedule to provide regular updates on progress towards strategic goals and objectives.
- 8) Conduct site visits, field observations, or spot checks to assess progress, verify implementation, and address any issues or challenges first hand. Site visits can provide valuable context and first-hand knowledge of on-the-ground realities, complementing other monitoring methodologies.
- 9) Track stakeholder engagement activities, including meetings, workshops, forums, and consultations, to assess participation levels, gather feedback, and measure stakeholder satisfaction.
- 10) Implement surveys, feedback forms, or focus groups to gather input from stakeholders, including employees, customers, partners, and other relevant parties. Feedback mechanisms can provide valuable insights into stakeholder perceptions, satisfaction levels, and areas for improvement.
- 11) Monitor the adoption and utilization of technology solutions, digital tools, and automation systems by industrial enterprises within KIE's estates. Collect data on technology usage, performance improvements, and productivity gains to assess the impact of technology adoption initiatives.

8.2 Performance Standards

KIE will measure performance by gathering information about its performance, and contain both quantitative and qualitative data obtained through a variety of ways, such as surveys, interviews and analytics software. Make adjustments through making modifications to the strategy that may increase the possibility of it achieving the goals set.

The organization's performance management system will be integrated into the monitoring, evaluation and reporting framework. The Strategic Plan shall be cascaded to enable staff to understand and plan for their respective roles at departmental level and individual work plans with clear performance indicators, resource requirements and responsibility for their achievement.

Data and information collection tools have been developed (see Annex) to measure performance as per the indicators. The reports will describe actions taken by the departments towards achieving the specific strategies of the Plan and will include achievements, challenges, emerging issues and recommendations.

Actual results will continually be reviewed against budget and any variances investigated. Where necessary, work-plans shall be amended to align with available resources or the budget will be revised to take into account new developments that require action.

8.3 Evaluation Framework

Evaluation mechanisms will be critical for assessing the effectiveness and impact of KIE's Strategic Plan implementation framework the mechanism will assess the achievement of desired outcomes and objectives outlined in the Strategic Plan:

- 1) Development of Evaluation Framework
- 2) Analyse results by comparing it to the standards already set
- 3) Compare KIE's performance against industry standards or competitors.
- 4) Undertake Cost-Benefit Analysis
- 5) Conduct mid-term and end-of-term evaluations to assess the effectiveness, efficiency, relevance, and sustainability of the Strategic Plan implementation.
- 6) Utilize a mix of qualitative and quantitative evaluation methods, such as surveys, interviews, focus group discussions, and case studies
- 7) Measure the outcomes and impacts of KIE's interventions on target beneficiaries, stakeholders, and the broader economy
- 8) Sustainability assessments help identify opportunities to minimize negative impacts, maximize positive contributions, and promote long-term sustainability and resilience
- 9) The Strategic Plan will be evaluated during and after implementation to gauge the extent of achievement of the intended results. Tools will be developed to evaluate relevance, efficiency, effectiveness, sustainability and impact. A midterm review of the Strategic Plan will be carried out
- 10) Utilization of Evaluation Results.

Table 8.1: Outcome Performance Matrix

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid-Term Period	End-Term Period
KRA 1: Credit to SMEs	Increased accessibility to affordable credit	<ul style="list-style-type: none"> Amount Disbursed to SMEs under BETA priority value chains and other manufacturing/ value addition sectors (Kshs.B) 	1.159	2022/2023	5.7	15
		<ul style="list-style-type: none"> No. of SMEs Financed 	2,318		11,400	30,000
		<ul style="list-style-type: none"> No. of jobs created (Direct) 	57,760		171,000	450,000
KRA2: Industrial Estates Development and Incubation Services	Industrial work space in 47 counties	No. of work spaces created	0	2022/ 2023	7	19
	growth and graduation of incubatees	No. of incubatees graduated	0	2022/ 2023	100	200
KRA3: Entrepreneurship capacity development and linkages	Enhanced growth and sustainability of entrepreneurial capacity for SMEs	No. of SMEs trained, mentored, or coached	94,704	2022/ 2023	125,000	250,000
	Increased inter-firm linkages	No. of SMEs Linked	9,462	2022/ 2023	12,500	25,000
KRA4: Institutional Capacity	Optimum level of motivated staff	Number staff in-post	208	2022/ 2023	260	282
	Enhanced financial sustainability	<ul style="list-style-type: none"> Amount mobilized from Development partners (Kshs M) 	0	2022/ 2023	3,018.5	8,050
		<ul style="list-style-type: none"> Exchequer Amount allocated(Kshs M) 	528.2		2,652	5,505.4
		<ul style="list-style-type: none"> Amount Internally 	825.1		1,550	4,600

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid-Term Period	End-Term Period
		Generated (Kshs M)				
	All KIE stations fully connected	Number of branches connected	24	2022/ 2023	30	36
	Improved visibility, branding and customer experience	Enhanced branch visibility	85%	2022/ 2023	88%	90%
	Enhanced corporate governance	Improved governance audit rating	70%	2022/ 2023	80%	90%
	Enhanced environmental sustainability	• No. of trees planted(No.)	2,768	2022/ 2023	25,000	50,000
		• Amount financed to projects addressing climate change (Kshs)	4		50	50

8.3.1 Mid-Term Evaluation

The organization will conduct a mid-term evaluation of this Strategic Plan to examine the progress towards achieving the set targets. This will be undertaken two and half years into the implementation of the Strategic Plan (June 2025). It will facilitate review of strategies and indicators to inform evidence-based adjustments. The recommendations of mid-term evaluation will help in making improvements to the Strategic Plan implementation process. It will also provide appropriate adjustment as the environment may demand.

8.3.2 End-Term evaluation

End-term evaluation will be conducted at the end of the Strategic Plan period. The process will be spearheaded by an independent expert with the guidance of the management of the organization to assess progress and achievements of the proposed outcomes and impact results. These recommendations will inform the next Strategic Plan. The final evaluation for this Strategic Plan shall be carried out to determine:

- 1) The extent to which the activities undertaken achieved the objectives;
- 2) The achievements realized;
- 3) Challenges faced and mitigation measures;
- 4) Lessons learnt; and
- 5) The way forward on the subsequent Plan.

8.4 Reporting Framework and Feedback Mechanism

Progress reports will be essential for communicating the status of KIE's Strategic Plan implementation to stakeholders, including senior management, employees, investors, and other relevant parties. These reports will include:

- 1) Quarterly progress reports detailing achievements, challenges, and lessons learned.
- 2) Adhoc reports as needed to address specific issues or requests from stakeholders.
- 3) Annual performance reports providing a comprehensive overview of KIE's activities, outcomes, and future plans.
- 4) Ensure that reporting practices comply with regulatory requirements and organizational governance standards. Maintain transparency and accountability in reporting processes to build trust and credibility.
- 5) Solicit feedback from stakeholders on the reporting framework and make iterative improvements as needed. Incorporate lessons learned and best practices into future reporting cycles to enhance the effectiveness of the framework.
- 6) Financial Reporting.
- 7) Trend analysis.

ANNEXES

Table 8.2: Quarterly Progress Reporting Template

KIE: QUARTERLY PROGRESS REPORT
QUARTER ENDING

Expected Output	Output Indicator	Annual Target (A)	Quarter for Year			Cumulative to Date			Remarks	Corrective Intervention
			Target (B)	Actual (C)	Variance (C-B)	Target (E)	Actual (F)	Variance (F-E)		

Table 8.3: Annual Progress Reporting Template

KIE: ANNUAL PROGRESS REPORT
YEAR ENDING

Expected Output	Output Indicator	Achievement for Year.....			Cumulative to Date (Years)			Remarks	Corrective Intervention
		Target (A)	Actual (B)	Variance (B - C)	Target (D)	Actual (E)	Variance (E - D)		

Table 8.4: Evaluation Reporting Template

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA 1: Credit to SMEs	Increased accessibility to affordable credit	Amount Disbursed to SMEs under BETA priority value chains and other manufacturing/ value addition sectors (Kshs. B)	1.159	2022/2023	5.7		15			
		No. of SMEs Financed	2,318		11,400		30,000			
		No. of jobs created (Direct)	57,760		171,000		450,000			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA 2: Industrial Estates Development and Incubation Services	Industrial workspace in 47 counties	No. of workspaces created	0	2022 / 2023	7		19			
	Growth and graduation of incubatees	No. of incubatees graduated	0	2022 / 2023	100		200			
KRA 3: Entrepreneurship capacity development and linkages	Enhanced growth and sustainability of entrepreneurial capacity for SMEs	No. of SMEs trained, mentored, or coached	94,704	2022 / 2023	125,000		250,000			
	Increased inter-firm linkages	No. of SMEs Linked	9,462	2022 / 2023	12,500		25,000			
KRA 4: Institut	Optimum level	Number staff	0	2022 / 2023	3,018.5		8,050			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
Operational Capacity	of motivated staff	in-post	528.2		2,652		5,505.4			
			825.1		1,550		4,600			
	Enhanced financial sustainability	<ul style="list-style-type: none"> • mount mobilized from Development partners (Kshs M) • exchequer Amount allocated (Kshs M) Amount Internally Gene 	24	2022 / 2023	30		36			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
		rated (Kshs M)								
	All KIE stations fully connected	Number of branches connected	85 %	2022 / 2023	88%		90%			
	Improved visibility, branding and customer experience	Enhanced branch visibility	70 %	2022 / 2023	80%		90%			
	Enhanced corporate governance	Improved governance audit rating	2,768 4	2022 / 2023	25,000 50		50,000 50			
	Enhanced environmental sustainability	• No. of trees planted (No.)								

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
		Amount financed to projects addressing climate change (Kshs)								

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