



DRAFT REVISED KDC 1.0 STRATEGIC PLAN

2021/22 – 2023/24



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ABBREVIATIONS

AADFI	Association of African Development Finance Institutions
AFC	Agricultural Finance Corporation
AfDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
ATI	Africa Trade Insurance
CBR	Central Bank Rate
CIDPs	County Integrated Development Plans
COVID	Corona Virus Disease
CS/DLS	Corporation Secretary/Director Legal Services
DAC	Development Assistance Committee
DFI	Development Finance Institution
DI	Director Investments
DCS	Director Corporate Services
DSPR	Director Strategy, Policy and Research
DG	Director General
DPD&RM	Director – Partnership Development and Resource Mobilization
DDRMC	Deputy Director – Risk Management and Compliance
EXIM	Export Import Bank
FCY	Foreign Currency Yield
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
ICDC	Industrial and Commercial Development Corporation
ICT	Information and Communication Technology
IDB	Industrial Development Bank
IMF	International Monetary Fund
KDC	Kenya Development Corporation
KEPSA	Kenya Private Sector Alliance
KITP	Kenya Industrial Transformation Programme
KNBS	Kenya National Bureau of Statistics
KSh	Kenya Shillings
MDAC	Ministries, Departments, Agencies and Counties
MTP	Medium Term Plan
MSCM	Manager – Supply Chain Management
MIA	Manager - Internal Audit
NGOs	Non-Governmental Organizations
ODA	Official Development Assistance
PESTEL	Political, Economic, Social, Technology, Environment and Legal
RBM	Results Based Management
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAT	Turnaround Time
TFC	Tourism Finance Corporation
UN	United Nations

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Norah Ratemo
INTERIM DIRECTOR GENERAL

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Mr. Michael Nyachae
Board Chairman
KENYA DEVELOPMENT CORPORATION

PREAMBLE

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INTRODUCTION

1.1 Background

The Kenya Development corporation (KDC) is a state corporation owned 100% by the Government of Kenya under the companies act whose operations started on 1st of July 2021 and headquartered in Nairobi along aghakan walk, uchumi house.

1.2 Mandate

The KDC has been incorporated to serve as a strong single cross sector DFI with sufficient scale, scope, and resources to play a catalytic role in Kenya's socio-economic development through providing long-term financing and other financial, investment and business advisory services.

1.3 Functions

From this mandate, the specific functions are to provide:

- Development financing to medium and large-scale industries in select target sectors.
- Infrastructure financing to medium and large-scale industries in select target sectors.
- Business advisory services to medium and large-scale industries in select target sectors.
- Establish and participate by way of joint or private equity ventures.
- Assist in the establishment of public and private companies
- Acquire, underwrite and dispose of shares and interests in such companies.
- Provide venture capital, seed capital and risk capital, for development of industries

1.4 The rationale for review of the 2021/2022 – 2023/2024 Strategic Plan

The revision of this strategic plan has been necessitated by;

- Need to align the corporate strategy with the new administration policy direction
- Changes in the key assumptions used when developing 21/22 to 23/24 strategic plan
- Lessons learnt during implementation of the plan for the first one and half years.
- Need to enhance KDC social return on investment

1.5 Methodology in reviewing the Strategic Plan

Reviewing the plan followed by the following steps;

- A review of the Ministry of Investment, Trade and Industry goals blueprint
- A desk analysis of the mid status of the 21/22-23/24 strategic plan
- An analysis of situational analysis
- Staff engagement of the 21/22-23/24 strategic plan
- Strategic planning Committee workshop to collect feedback and come up with proposals
- Proposals validation by the leadership team
- Stakeholder engagement
- Board validation

The corporation reviewed various government official records to inform this revised. The documents reviewed were;

- Kenya Health Sector Strategic Plan (July 2018–June 2023)
- MITI Goals blueprint
- IGAD Regional Postharvest Loss Management Strategy @2021
- Kenya National Adaptation Plan 2015-2030
- Regional Blue Economy Strategy and Implementation Plan for 5 years (2021-2025)
- Go blue literature on www.goblue.co.ke
- Kenya Leather Industry - Diagnosis, Strategy and Action Plan
- Kenya's Industrial Transformation Programme
- County Integrated development Plans
- Lake region economic blueprint the lake region economic blueprint
- National development strategies and blueprints.
- Vision 2030 blueprint (Manufacturing, tourism, health and ICT.
- The Medium Term Plan III.
- UN 2030 Sustainable Development Goals (SDGs)
- 2063 Africa Agenda.
- Sopact website <https://www.sopact.com/impactcloud> on social return on investment

SITUATION ANALYSIS

2.1 Introduction

This chapter covers situation analysis that include evaluation of The KDC Strategic Plan Year 1 Implementation Matrix, global, regional, and national challenges; industry analysis stakeholder mapping; and analysis of internal and external environments. This culminated in identification of SWOT as well as PESTEL analysis. The chapter, therefore, focuses on the past to draw out lessons, possible trends, and the future scenarios to inform KDC strategic response and initiatives.

2.2 Evaluation of The KDC Strategic Plan Year 1 Implementation Matrix

During the last one and half years, the corporation's performance was as follows;

KRAs	STRATEGIC OBJECTIVES	STRATEGIC OBJECTIVE SCORE	KRA SCORE	CORPORATE
Financial performance	Diversify and grow sustainable revenue streams	48%	54%	62%
	Develop prudent cost management approach	50%		
	Mobilize financial resources	60%		
	Enhance effective portfolio management	96%		
Capital stewardship	Create and maintain quality assets	100%	40%	
	Enhance income from idle and or undeveloped assets	0%		
Operational excellence	Adopt efficient and effective processes	68%	54%	
	Embrace effective ERM	62%		
	Improve technology capabilities and infrastructure	36%		
Partnerships Engagement	Establish institutional partnerships and collaborations	81%	81%	
Organizational Capability	Attract, develop, and retain staff	65%	69%	
	Develop a high-performance culture	58%		
	Embrace research, creativity, and innovation culture	78%		

2.3 Evaluation of core values

A self-assessment of the KDC Value's mainstreams for the period under consideration was as follows;

VALUE	VALUE MEANING	NOTED HINDRANCES	STRATEGIC INTERVENTIONS
Agility:	Having the ability to renew our self, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment.	Slow decision-making process has been a hindrance to achieving value	<ul style="list-style-type: none"> Streamline decision making process Approval of Governance framework Proper decisions meeting planning
Creativity:	Being original, flexible and more effective in creating value and growth in the market and society;	Lack of an established and structured new idea generation adoption framework	<ul style="list-style-type: none"> Develop new idea generation adoption framework Create a good environment for idea generation. Set up a committee to consider the said new idea and leadership to ensure adoption of the approved ideas.
Oneness:	Working well together with deep-seated honesty trust in order to achieve our common goal.	Largely achieved but there is a trend of silo working. This has been witnessed between former DFIs working and interacting silos	<ul style="list-style-type: none"> Elimination of silo working/ unethical grouping within the corporation
Integrity:	adhering to corporate and moral values, acting with honesty and fairness, and treating all staff and stakeholders with respect and within the law;	Achieved	
Customer Focus:	Continuously improving and providing unusually high-quality attention and service to the needs of our customers.	Longer transaction processing time and lack of a opined customer care unit within the corporation.	<ul style="list-style-type: none"> Reengineer most of our process Create a customer care unit within the organogram

2.4 Economic Performance Review and Outlook

According to a report by World Bank Group on Global Economic Prospects (January, 2023), the Global economic growth decelerated to 2.9% in 2022 compared to 5.9% growth posted in 2021. This decline in growth is attributed to higher inflation, uncertainties around Russia-Ukraine conflict, monetary tightening, and lingering Covid-19 pandemic.

Advanced economies posted a growth of 2.5% compared to 5.3% posted in 2021. Emerging and Developing Economies posted a growth of 3.4% compared to 6.7% posted in 2021 while Sub Saharan Africa posted a growth of 3.4% compared to 4.3% posted in 2021. Kenya's economic performance in 2022 declined to 5.5% from 7.5% posted in 2021.

According to Quarterly Gross Domestic Product Reports by KNBS, (2022) Kenya posted quarterly growth rates of 6.8%, 5.2% and 4.7% in Q1, Q2 and Q3 respectively in 2022 compared to growth rates of 2.7%, 11% and 9.3% in Q1, Q2 and Q3 respectively in 2021.

The macroeconomic environment was generally characterized by high inflation rate, depreciation in Kenyan Shilling against the dollar and fairly stable interest rate. Inflation averaged 7.6% in 2022 compared to 6.1% in 2021. This was driven by increase in prices of food, non-alcoholic beverages, high transport and energy costs.

The Kenya shilling averaged Kes 117.87 to the dollar by the third quarter of 2022 compared to an average of Kes 109.08 to the dollar in 2021. This depreciation is attributed to Govt debt servicing which put pressure on forex reserves, hiking of USA federal interest rate leading to capital flight and increased dollar demand for imports especially in oil and energy sector. The weighted average interest rate however remained fairly stable at an average of 12.25% by the third quarter compared to 12.06% registered in 2021.

In terms of outlook global economic performance is looking gloomy. Global growth is projected to decelerate further to 1.7% on account of high interest rates to contain inflation, tightening financial conditions, weakening growth in advanced economies, high borrowing costs, heavy indebtedness across economies and persistent elevated energy prices. (World Bank Group, 2023).

Kenya's economic growth is projected to slow down to 5% in 2023 on account of low exports attributed to slow global growth, increase in interest rates to contain inflation, current account

deficit and large external debt stock could cause balance of payment stress if access to external funding continues to deteriorate. (World Bank Group 2023).

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2.5 Strengthens, Weaknesses, Opportunities and Threats Analysis

In order to identify the internal strengths and weaknesses as well as external opportunities and threats for KDC, a SWOT analysis was done and Table 1 below summaries the analysis.

Table 1 Strengthens, Weaknesses, Opportunities and Threats Analysis

	FACTOR	STRATEGIC IMPACT TO KDC
Strengths	Diverse capital base	Improved capacity to undertake social economic interventions
	Rich history & investment track record	Ability to identify right and quality investment to invest into.
	Incorporation under the Companies Act	Able to undertake various initiatives as captured in the memorandum and articles of association
	ICT infrastructure	Efficient and effectively service delivery
Weaknesses	Low return on assets and investments	Depletion of available funds for on lending and un-realization of core mandate since funds investment are not operating as projected
	Legacy issues	Negative effects on KDC books affecting borrowing strategies which in turn impacts projected interventions due to limited funding from development partners
	Limited brand visibility	Failure to attract investors within KDC sectors of interest
	Lengthy turnaround	Inability to realize in a timely social economic impact due to delays in availing funding
	Non-clarity on expected social economic impact	Inability to have a deliberate focus on investment that matters most to the economy
Opportunities	Skill consolidation on the new business model.	Realization of KDC strategic intents through proper skills placements
	Building strategic partnerships/alliances	Better service delivery through bring together value chain participants
	Wide fundraising pool	Ability to meet various funding needs
	Influence policy change	Investor friendly policies
	Position self as Policy tool of the Government	Better utilization in actualization on Government Agenda

Threats	Slow divestiture process	Inability to realize KDC investment when they are mature affecting future deployment to projects in need
	Data loss and cyber security	Loss of data and legal cost
	Financial unsustainability	Inability to achieve KDCs social economic impact
	High non-performing loans	Inability to attract additional funding for on-lending
	Governance and control weaknesses	Lack of focus deviating KDC core focus from her principle mandate
	Lack of competitive advantage	Poor positioning which leads to non-utilization by Government as a policy tool, failure to attract potential investors.

2.6 Political, Economic, Social, Technological, Environmental and Legal

In addition to SWOT analysis, a review of PESTEL factors was done and Table 2 below shows the review.

Table 2 *Political, Economic, Social, Technological, Environmental and Legal Analysis*

	FACTOR	STRATEGIC IMPACT TO KDC
Political	Changes in Government policies	Improved business opportunities hence increased ROI and funded investment sustainability and increased PAR as well high closer rate of the investment funded should the change be negative
	Political patronage	Bad loans emanating from PEPS on the negative and Political goodwill on KDC operations should the influence be positive
Economic	National debt rating.	Increased lines of credit for on lending and Increase in foreign direct investment due to high confidence should the rating be high and vise should it be low.
	Market gaps	Opportunity to close in the gap through targeted investment

	Foreign currency rate volatility	Good performance from funded investments exporting their finished products and strained funding quotas due to high cost of equipment should the rate volatility be negative and vice should it be positive.
	Global competition	Loss of strategic investment with high social impact to favorable nations due to un-competitiveness' and attraction of quality investment with immense political affiliation should Kenya be competitive.
Social	Growth of the middle-class	Improved consumption of local production thus improved KDC investment sustainability
	Rapid urbanization	Reduction in raw materials production as more citizens moves to the urban areas knocking down various KDC investment due to lack to sufficient raw materials locally.
	Unprecedented pandemics	Business disruption which can make KDC loss its investment negatively impacting social economic impact aspirations
	Cultural/religious orientation	Consumer preferenced production can impact the economy positively
	Negative/positive publicity	Lost of strategic partnerships impacting a slow down on achieving KDC core mandate due to insufficient funding and reduced applications from targeted potential clients
Technolo	Cybercrime security risks	Data loss, reputational risk and legal exposure
	Dynamic technological change	Improved and timely service delivery
	Shift to e-commerce	Opportunity to invest in ecommerce and grow local production value chain
Envir	Environmental conscious society	An opportunity to support sound environmental policies
	Emerging environment regulations	Loss of investment on non-environment regulations compliance investment

	Adverse weather conditions from climate change	Loss of locally produced raw materials leading to disruptions on KDC agenda
	Natural calamities	Loss of KDC investments on firms who lacks a strong business continuity plan
Legal	Cost of legal non-compliance	Huge damage payment which would reduce the available funds for on-lending
	Restrictive laws	In ability to effectively undertake KDC mandate thus derailing KDC mandate achievement
	Global/regional treaties	An opportunity for KDC to empower various sectors to take advantage of the emerging treaties

2.7 Stakeholders Analysis

KDC undertook stakeholders mapping as analysed below:

Stakeholder	Stakeholder expectation from KDC	KDC's expectation from stakeholder	What KDC commits to do towards fulfilling stakeholder expectations
Customers	<ul style="list-style-type: none"> Provision of quality service delivery. Expected aspects of quality services include: <i>accessibility, reliability, communication, security, responsiveness, competence and empathy</i> Product that meet customer expectation. Attributes of products include: <i>-competitive rates, flexibility of loan repayment terms, sector specific products etc.</i> 	<ul style="list-style-type: none"> Timely loan servicing Access to financed projects for monitoring Provision of accurate and relevant information 	<ul style="list-style-type: none"> Apply quality service delivery Design customer focused products Offer loans at competitive prices Adapt to the prevailing economic environment Personalize services
Shareholders	<ul style="list-style-type: none"> The shareholders expect to receive dividends as return on the shares held Timely reporting of financial statements and other documents for approval Prudence in managing the business Accountability Implementation of the Strategic Plan 	<ul style="list-style-type: none"> Capitalization Provision of guidance and strategic direction 	<ul style="list-style-type: none"> Declare and pay out dividends Prepare financial reports and other documents for timely approval Adhere to prudential guidelines in managing the business Accept responsibility for business decisions

Stakeholder	Stakeholder expectation from KDC	KDC's expectation from stakeholder	What KDC commits to do towards fulfilling stakeholder expectations
Board of Directors	<ul style="list-style-type: none"> • Accountability • Policy and decision implementation • Implementation of the Strategic Plan 	<ul style="list-style-type: none"> • Support and strategic direction • Budget and loans approval as well as decision making. • Lobbying assistance • Being KDC's brand ambassadors 	<ul style="list-style-type: none"> • Accept responsibility for the business performance • Implement the approved policies and decisions made by the Board • Report on the status of implementation of the strategic plan to the Board
Staff	<ul style="list-style-type: none"> • Conducive working environment • Favorable terms and conditions of service • Support in the implementation of the Strategic Plan. • Staff development 	<ul style="list-style-type: none"> • Dedicated and efficient service delivery • Institutional loyalty • Commitment to result based performance • Adherence to the core values 	<ul style="list-style-type: none"> • Provide conducive work environment that allows self-expression and creativity • Provide fair compensation for work done • Carry out staff training and development programs
Government agencies	<ul style="list-style-type: none"> • Adherence to regulations and policies • Provision of accurate and relevant information • Aligning ourselves to the priorities of the parent ministry. 	<ul style="list-style-type: none"> • Financial support • Assist in fundraising activities. • Guaranteeing of lines of credit • Provide guidance on regulatory policies 	<ul style="list-style-type: none"> • Comply with government regulations and policies • Comply with information request • Complete and submit requisite documentation in time
Tenants	<ul style="list-style-type: none"> • Proper building maintenance • Adequate security • Clean facilities • Prompt address of any tenants' issues • A dedicated desk to handle tenants' affairs 	<ul style="list-style-type: none"> • Timely payments of rental • Adherence to the tenancy agreement • Reporting on net effects on properties 	<ul style="list-style-type: none"> •
County Governments	<ul style="list-style-type: none"> • Support their investment agendas at the County level • Effective fund management 	<ul style="list-style-type: none"> • Provide financial support • Provide conducive environment for the investors 	<ul style="list-style-type: none"> • Provide technical expertise in identification and project management.

Stakeholder	Stakeholder expectation from KDC	KDC's expectation from stakeholder	What KDC commits to do towards fulfilling stakeholder expectations
AADFI	<ul style="list-style-type: none"> • Adherence to AADFI guidelines • Practice self-regulation • Collaboration 	<ul style="list-style-type: none"> • Provide guidance on regulatory policies • Carry out annual rating exercises • Act as a link to partners and sponsors • Training 	<ul style="list-style-type: none"> • Apply AADFI prudential guidelines and standards • Apply industry best practice • Attend trainings sponsored by AADFI and partners
Strategic Partners	<ul style="list-style-type: none"> • Relevant and accurate information • Professionalism • Accountability, transparency and proper use of resources 	<ul style="list-style-type: none"> • Financial support • Collaboration and partnerships 	<ul style="list-style-type: none"> • Establish and maintain a good relationship with strategic partners • Conduct business using the highest standards of professionalism and integrity • Accept responsibility for the use of resources • Provide accurate and reliable information with regards to an engagement
Suppliers	<ul style="list-style-type: none"> • Fairness in selection process • Timely payment for goods and services provided • Professionalism and integrity 	<ul style="list-style-type: none"> • Professionalism and integrity • Prompt delivery of quality goods and services • Compliance with procurement regulations • Prompt provision of quality goods and services. 	<ul style="list-style-type: none"> • Follow the rule and regulations on public procurement • Execute the terms of supply contract as required • Treat the suppliers with courtesy

KEY RESULT AREAS AND STRATEGIC DIRECTION

3.1 Introduction

This Chapter presents both the revised KRAs and the strategic directions for the Corporation for 2021/22 to 2023/24. These include Corporations' philosophy statement and strategic initiatives. This is the basis upon which plans, strategies and projects will be formulated, decisions made, and actions carried out, and performance managed and evaluated.

3.2 Vision, Mission, Core Values, and Brand Promise

Vision: The leading financial partner that drives Kenya's progress and prosperity.

Mission: To catalyse sustainable socio-economic development by providing financial support and advisory services in select sectors.

Core Values

The core values are the basis upon which the Board, Management and Staff of KDC acts, will make decisions, plan and strategizes, and how the staff will interact with each other and with KDC's stakeholders and clients. The core values of KDC are:

- **Agility:** Having the ability to renew our self, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment.
- **Creativity:** Being original, flexible and more effective in creating value and growth in the market and society;
- **Oneness:** Working well together with deep-seated honesty trust in order to achieve our common goal.
- **Integrity:** adhering to corporate and moral values, acting with honesty and fairness, and treating all staff and stakeholders with respect and within the law;
- **Customer Focus:** continuously improving and providing unusually high-quality attention and service to the needs of our customers.

Brand Promise

Creating wealth together - as customers aspire for greater value and quality of services, KDC will work towards understanding these aspirations and facilitate the industry to innovatively adapt new technologies allowing for access to commensurate value products and services.

3.3 Sustainable development goals achievements

In enhancing achievement of SDGs, the corporation shall undertake the following interventions;

SDG GOAL	DESCRIPTION	KDC INTERVENTION
Sustainable Development Goal 1: <i>No Poverty</i>	<i>End poverty in all its forms everywhere.</i>	Through jobs created through SM&LEs established Through lending targeting purchase of raw material produced locally.
Sustainable Development Goal 2: <i>Zero Hunger</i>	<i>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</i>	Through post-harvest management sectoral investment
Sustainable Development Goal 3: <i>Good Health and Well-being</i>	<i>Ensure healthy lives and promote well-being for all at all ages.</i>	Through health sector investment
Sustainable Development Goal 7: <i>Affordable and Clean Energy</i>	<i>Ensure access to affordable, reliable, sustainable and modern energy for all.</i>	Through green energy investments.
Sustainable Development Goal 9: <i>Industry, Innovation and Infrastructure</i>	<i>Build resilient infrastructure, promote sustainable industrialization and foster innovation.</i>	Through manufacturing related investment Through County targeted investment
Sustainable Development Goal 13: <i>Climate Action</i>	<i>Take urgent action to combat climate change and its impacts.</i>	Through climate change sector investment

3.4 Strategic focus

Over the next one year, KDC shall focus on enhancing her social return on investment by undertaking specific sectoral interventions from which the corporation shall measure her impact annually. By this, KDC shall Focus on key social economic interventions with clear social impact evaluation criteria.

3.5 Scope of interventions

Following review of various literature on Kenya kwanza ‘the plan’ and requirements of other reference documents, below states the key focus areas as explained.

a. Key economic intervention as per the GoK identified sectors with huge economic impact

Instead of being all over, concentration with specific sectors of the economy that are aligned to the Kenya kwanza administration will bring more focus to KDC as a policy tool as well ensure it aids achievement of the GoK priority sectors.

SECTORS OF INTEREST AND INTERVENTION THEMATIC		
AREAS OF FOCUS	INTERVENTION THEMATIC	2022/2023 STRATEGIC INVESTMENTS
1. Attracting foreign direct investment through strategic partnerships'	a. Ports & Economic Zones b. Affordable Housing c. Water d. Meat Airport e. Telecom f. Steel	g. Hospitality & Real Estate & MICE h. Renewable Energy i. Financial Services & Tech Start-ups j. Mining k. Oil and Gas l. Food Processing m. Fertilizers & Phosphates
		1) Establishment of a fertilizer processing factory 2) Establishment of a Meat abattoir in North eastern

2. Post-harvest management	<ul style="list-style-type: none"> a. Agro and food processing industries b. Enterprises in cleaning, sorting, storing, logistics and packaging of farm outputs c. Aggregation parks 	<ol style="list-style-type: none"> 1. Establishment/Expansion of Agro processing factories (driven by top 6 Agro products in the country) 2. Establishment/Expansion Food processing factories (driven by top 6 Food products in the country) 3. Establishment/Expansion of cleaning, sorting, storing, logistics and packaging of farm outputs in select areas (Targeting the international trade agreements like AGOA, GSP, BTA, ACP/COTONUE partnership etc.) 4. Development of Agro and food regional aggregation parks complete with logistics and market outlets
3. Health	<ul style="list-style-type: none"> a. Establishment and expansion of private health facilities b. Establishment and expansion of human and animal pharmaceutical factories c. Establishing and expansion hospital consumables factories d. Purchase of specialized medical equipment for the health entities 	<ol style="list-style-type: none"> 1. Funding of specialized medical facilities in in select areas (targeting slums and areas whose citizens populate referral Hospitals) 2. Funding for pharmaceutical firms (Targeting firms producing highly consumable medicine)
4. Climate change	<ul style="list-style-type: none"> a. Waste treatments plants within the industries of focus b. Waste recycling plants c. Green energy investments 	<ol style="list-style-type: none"> 1. Funding of industrial waste recycling plants. 2. Establishment/expansion of electric mobility. 3. Establishment/expansion of gas mobility. 4. Industrial/commercial solar investments.

		<ul style="list-style-type: none"> 5. Hydro power investment 6. Geothermal power investment
5. Manufacturing	<ul style="list-style-type: none"> a. Leather and garment industry b. Producers of affordable housing items c. Agricultural inputs factories d. Steel industry 	<ul style="list-style-type: none"> 1. Funding of animal feeds manufacturing plants (Targeting Dairy and fish farming) 2. Funding of leather and garment factories 3. Funding of steel factory
6. Blue Economy	<ul style="list-style-type: none"> a. Aquaculture / Mariculture/ algaculture b. non-point source pollution investments c. green ports investments d. Seafood processing and distribution e. Offshore wind renewable energy f. Marine tidal, wave, geothermal renewable energy g. Ship and Boatbuilding 	<ul style="list-style-type: none"> 1. Funding of seafood processing factories (Jumuia ya pwani and lake basin economic block) 2. Funding of ship/boat building for Mombasa and Kisumu 3. Funding of waste treatment plants for industries that discharge waste to the blues
7. ICT	<ul style="list-style-type: none"> a. FOC (Fiber optic cabling) to enable high speed internet b. SOS infrastructure - software as a service c. ITES - IT enabled services esp in the national and county government offices d. Tier 3-5 Data centers - to be used for backup, replication and failover service e. Tech start ups f. Artificial Intelligence 	<ul style="list-style-type: none"> 1. Funding of data center's
8. Tourism	<ul style="list-style-type: none"> a. Quality and secure budget hotels b. Adventure, sport and cultural tourism c. Sports tourism d. MICE 	<ul style="list-style-type: none"> 1. Establishment of sports tourism centres l.e Rift valley 2. Establishments of MICE facilities

b. Potential partners to aid actualizations of the above strategic investments

Below partners are deemed to be critical in realizing the above strategic intent. The corporation will engage them together any other sectoral stakeholder with a view of ensuring KDC realizes its envisioned strategic intent.

FOCUS AREAS	PROPOSED ENGAGEMENT PARTNERS	
1. MITI FDI Investments	<ul style="list-style-type: none"> • Ministry of Industry (MITI) • Transaction Advisors' • Private Equity Funds 	<ul style="list-style-type: none"> • Tier one banks • Kenya Association of Manufacturers • Kenya National chamber of commerce and industry
2. Post-harvest management	<ul style="list-style-type: none"> • Ministry of Agriculture (MALD) • Agriculture and Food Authority (AFA) • Export and Promo • Council of County Governors (CoG) • Cereal Millers Association (CMA) • Sectoral Development partners • Agro manufacturers in Kenya 	<ul style="list-style-type: none"> • Food and Agriculture Organization (FAO) • Council of Governors - Agriculture Committee • Kenya National Bureau of Statistics (KNBS) • Agricultural Finance Corporation (AFC) • Fresh Produce Exporters Association of Kenya (FPEAK) • Special Economic Zones Authority (SEZA)
3. Health	<ul style="list-style-type: none"> • Ministry of Health (MoH) • National Hospital Insurance Fund (NHIF) • Kenya Medical Practitioners Pharmacists and Dentists Union • WHO – Kenya office • CDC – Kenya office 	<ul style="list-style-type: none"> • Kenya Healthcare Federation (KHF) • Kenya National Bureau of statistics (KNBS) • Kenya Medical Research Institute (KEMRI) • Sectoral Development partners • Council of Governors – Health committee
4. Climate change	<ul style="list-style-type: none"> • Green climate fund • NEMA • Ministry of Environment and Forestry 	<ul style="list-style-type: none"> • Kenya Climate Innovation Center • Climate impact partners • Climate Change department at OP

	<ul style="list-style-type: none"> Kenya Leather Development Council 	
5. Manufacturing	<ul style="list-style-type: none"> MITI Kenya Association of Manufacturers Kenya Publishers' Association 	<ul style="list-style-type: none"> Association of Kenya Feed Manufacturers Kenya Federation of Master Builders (KFMB) Association of Construction Managers of Kenya Engineers Board of Kenya
6. Blue Economy	<ul style="list-style-type: none"> Council of Governors Go blue Lake basic council 	<ul style="list-style-type: none"> Jumuia ya pwani State Department for Fisheries and Blue Economy Oceans and Blue Economy office - OP
7. Energy	<ul style="list-style-type: none"> Energy and petroleum regulatory authority CFAO Motors Kenya Vehicle brand representative in Kenya 	<ul style="list-style-type: none"> Otagas Kenya BasiGo Kenya Power and Lighting company Kenya Renewable Energy Association (KEREa)
8. ICT	<ul style="list-style-type: none"> Information Communication Technology Association of Kenya (ICTAK) Information and communication Authority 	<ul style="list-style-type: none"> Ministry of ICT ICT partners
9. Tourism	<ul style="list-style-type: none"> Kenya Tourism Board Kenya Tourism Federation African Travel and Tourism Association 	<ul style="list-style-type: none"> Kenya Association of Travel Agents Kenya Association of Tour Operators Kenya wildlife service Kenya Association of Hotelkeepers and Caterers

3.6 Key Result Areas and strategic focus

In this revised strategic plan, the corporation has revised her key result areas together with her strategic focus as shown below;

KEY RESULT AREAS	STRATEGIC FOCUS
Financial Performance	<ul style="list-style-type: none"> Enhanced income/revenue generation
	<ul style="list-style-type: none"> Mandate aligned resource mobilization
	<ul style="list-style-type: none"> Effective portfolio management

	<ul style="list-style-type: none"> Improved cost management
Operational Excellence	<ul style="list-style-type: none"> Unbundling sectors of interest for more targeted social economic intervention
	<ul style="list-style-type: none"> Undertaking business process reengineering to guarantee efficient operations
	<ul style="list-style-type: none"> Effective risk management
	<ul style="list-style-type: none"> Institutionalized customer experience
	<ul style="list-style-type: none"> Improved Governance structure
	<ul style="list-style-type: none"> Improved turnaround time
	<ul style="list-style-type: none"> Business model that is more of impact that profitability
Partnerships Engagement	<ul style="list-style-type: none"> Establishing institutional partnerships that aid effective actualization of KDC mandate I.e. NHIF, EPZA, SEZA etc.
	<ul style="list-style-type: none"> Build capacity to staff for proper mandate actualization. I.e. Strathmore, Deloitte consulting
	<ul style="list-style-type: none"> Establishment of partners that can are key in availing resources to KDC for specific social economic interventions.
	<ul style="list-style-type: none"> Ensuring that excellent relationship exist between the corporation identified partner at all times
	<ul style="list-style-type: none"> Stimulate FDI into the National Priority areas
Organizational Capability	<ul style="list-style-type: none"> Closure of all staff merger issues.
	<ul style="list-style-type: none"> Effective labor utilization

3.7 Key Result Areas and strategic focus and Strategic Objectives

To realize her mandate, the 21/22 – 23/24 strategy has revised key result areas from 5 to 4, strategic objectives from 13 to 8 and strategic initiatives from 39 to 24, as seen in the below table;

Key Result Areas	Strategic Objectives	Strategic Initiatives
1. Financial performance	1.1 Assured Financial sustainability	1.1.1 Enhance income generation
		1.1.2 Mobilize mandate aligned resource mobilization

	1.2 Effective portfolio management	1.2.1 Attain portfolio at risk ratio of 15% or less
2. Operational excellence	2.1 Increase sectoral based interventions	2.1.1 Develop sectoral aligned interventions
		2.1.2 Undertake social economic identified interventions
		2.1.3 Enhance effective social impact related communication on KDC sectoral interventions
	2.2 Adopt efficient and effective operations	2.2.1 Ensure effective customer engagement
		2.2.2 Enhance brand visibility
		2.2.3 Ensure business processes are re-engineered
		2.2.4 Improve Technology Capabilities and Infrastructure
		2.2.5 Establish effective compliance and corporate governance framework
		2.2.6 Develop and implement a Business model that is more of impact that profitability
		2.2.7 Establish a reliable assurance mechanism
2.3 Institutionalize ERM and research on KDC operations	2.3.1 Develop risk and research culture within KDC	
3. Partnerships Engagement	3.1 Establish institutional partnerships and collaborations	3.1.1 Establishing institutional partnerships that aid effective actualization of KDC mandate
		3.1.2 Establishing partnership that are key to building capacity to staff
4. Organizational Capability	4.1 Enhance staff morale and cohesion	4.1.1 Ensure closure of all staff post-merger issues/concerns
		4.1.2 Provide conducive working environment
	4.2 Improve staff productivity	4.2.1 Ensure effective labor utilization
		4.2.2 Develop and implement competency framework
		4.2.3 Improved performance and productivity

Table 4: Key Result Areas, Strategic Objectives and Strategic Initiatives

PERFORMANCE MANAGEMENT AND IMPLEMENTATION

4.1 Introduction

This chapter outlines the elements necessary for successful implementation of the strategic plan. Having been revised in mid-2022/23 and considering that the strategy life comes to an end in 2024 June,

4.2 Responsibilities for Implementation

The KDC board will be responsible for oversight of the performance of this strategic plan; receiving quarterly strategic plan implementation reports from management; and availing sufficient resources for the implementation of this plan. On its part, management will be responsible for ensuring proper implementation of the laid down strategic initiatives; appropriate planning to ensure the right initiatives are focused on; and monitoring progress and managing performance. Both the board and the management will ensure appropriate organizational structure and human resources capacity as well as physical and financial resources to implement this strategic plan. In addition, the Corporations' staff will ensure the systematic achievement of the strategic targets as articulated in this plan as well as provide timely contribution to the implementation of strategic initiatives in pursuit of performance excellence in their areas of operation.

4.3 Risk Management

The KDC faces internal and external challenges that influences whether it will achieve the strategic objectives, but similarly there are factors of risk in nature that provide opportunities that KDC can exploit. Managing risk is iterative and will assist the Corporation in achieving objectives and making informed decisions. Specifically, KDC shall focus on risk as a threat and an opportunity and implement mechanisms of controlling the threats that can hinder achievement of the strategic objectives and review the opportunities obtainable to maximize return on investments. The risk management strategies shall be linked to the Corporate strategic objectives focusing on operational excellence, financial performance, partnerships engagement, capital stewardship and organizational capability and Table 5 below shows the strategic objectives, associated risks and the level of risk, and mitigation strategies.

Table 5: Strategic Objectives, Risks, and Mitigation Strategies

Strategic Objectives	Potential Risks	Mitigation measures
Assured Financial sustainability	Failure to meet financial obligations and lack of sufficient funds to on-lend to potential customers	Prudent cashflow management Effective resource mobilization
Effective portfolio management	Low value growth on KDC investment both equity and debt	Development of portfolio management guidelines
Increase sectoral based interventions	Lack of clear focus on KDC focus impacting KDC positioning as a policy tool of the Government.	Redefine KDC business model to reflect specific intervention in the economy
Adopt efficient and effective operations	Long lead time affecting business processes	Undertake Business process reengineering
Institutionalize ERM and research on KDC operations	Lack of appreciating sectoral risk trends and financing needs making KDC investments bad	Institutionalize ERM Ensure Research is a key pillar in KDC operations
Establish institutional partnerships and collaborations	Lack of sufficient resource pooling	Effective resource mobilization
Enhance staff morale and cohesion	Low productivity	Have effective talent management
Improve staff productivity	High operating cost due to low productivity	Ensure staff grievances are delt with promptly

4.4 Strategic Plan Alignment

To align the strategic plan to the department strategies, strategy department shall engage all the departments into a buy in.

4.5 Monitoring and Evaluation

The strategic plan seeks to focus the Corporation to investment opportunities that are projected to have far reaching socio-economic impact. Monitoring and evaluation is, therefore, critical in determining the milestone covered in the implementation of the plan. Monitoring and evaluation will be undertaken in a two-pronged approach; performance management to gauge how well the targets are being met and socio-economic impact analysis to measure how the plan is impacting on the external stakeholders and the economy at large.

4.6 Performance Management

Performance management will be critical in achievement of this strategic plan. Once adopted, management will be required to come up with performance contracts which will be cascaded from the board to director general to directors and to all other levels within KDC.

4.6.1 Performance Appraisals

To aid achievement of the strategic plan, performance appraisals shall be done as follows:

- a) Performance appraisals for the leadership team (G1 to G3) will be done quarterly to ensure that the Corporation does not fall off from its projected achievement.
- b) Performance appraisals for staff in G4 and below shall be done bi-annually
- c) KDC will monitor the implementation of the strategic plan through an automated performance management system. When developing the performance management system, management shall ensure that the system includes quality metrics that will be critical in giving both financial and non-financial metrics as well as alerts and ability to monitor various implementation plans from developed specific strategies identified in this strategic plan.

4.6.2 Performance Monitoring

Performance management will be monitored periodically as follows:

4.6.2.1 Bi-quarterly - this is aimed at identifying achievement levels and progress status of various activities scheduled for the period under consideration. This will help create time alerts to the responsible about the anticipated targets. Challenges if any, will be documented at this stage and appropriate engagement made with the leadership team to address the challenges experienced.

4.6.2.2 Quarterly - this will be useful for reporting purposes and collecting; analyzing, collating challenges and lessons and facilitating development of solutions that will ensure 100 percent achievement of the target are achieved. Considering that leadership team will be appraised quarterly, this report, together with the appraisal report, will be shared with Board for noting and action.

4.6.2.3 Annual Review - this will be used to assess progress and challenges in achievement of planned outputs. The reports from these reviews will inform decision making to ensure that implementation of the strategic plan remains on track. An analysis report will directly inform the annual work plans for the subsequent financial year.

4.6.2.4 End-Term Review - the strategic plan will be reviewed as part of the exercise of formulating the next strategic plan. The review will determine the extent to which the expected KRAs, strategic objectives and strategic initiatives were achieved, challenges encountered, and lessons learnt. The output of this review will provide critical input for the formulation of the 2nd KDC strategic plan and will be necessary to ensure continued improvement in the effectiveness and efficiency with which KDC executes its mandate from 2023 and beyond.

4.6.2.6 Socio-Economic Impact Assessment - The Corporation shall develop a monitoring and evaluation tool to measure the socio-economic impact created by its investments and other initiatives. This exercise will be undertaken after 3 years.

ORGANIZATIONAL STRUCTURE

5.1 Introduction

The KDC organization structure has been developed (see Annex 4) with objectives of maximizing the efficiency and success of the organization; facilitating working relationships with various sections of the organization; and retaining order and command whilst promoting flexibility and creativity. The management of KDC is vested in the board of directors who provides policy and oversight while the day-to-day operations are delegated to the director general.

The KDC is organized into six directorates and two departments that report directly to the director general and the internal audit department that reports functionally to the board and administratively to the director general. These directorates are:

1. Investment Directorate
2. Partnership Development and Resource Mobilization Directorate
3. Strategy, Policy and Research Directorate
4. Corporate Services Directorate
5. Corporation Secretary and Legal Services Directorate
6. Internal Audit Directorate

The two departments are:

1. Supply Chain Management Department.
2. Risk Management and Quality Assurance Department.

5.2 Review of Current Organizational Structure

In order for KDC to deliver on its mandate, there will be need to review the current organizational structure. The revised organizational structure will ensure that commitment in the strategic plan to deliver significant benefits by getting everyone aligned and working together to move the Corporation's business forward. This will entail ensuring that staff truly supports each other and work together toward the common good.

In reviewing the current organizational structure, there will be need to:

- a) Clarify purpose – arrive at a shared expression of purposes

- b) Re-define initial roles – build an organizational structure that creates capacity for action
- c) Assign roles to staff – bring life into the organizational structure, and create personal responsibility for action
- d) Establish an easy, simple and reduced management team
- e) Establish tactical and governance work processes – ensure continuity and succession
- f) Establish a structure that reduces bureaucracy for optimal and seamless business processes.

The reviewed organizational structure complete with job descriptions and lines of command will ensure that all staff are aware of their roles at KDC, who they report to and who they supervise. On the basis of the above, the corporation shall complete review of the current organization structure before the end of the fourth quarter of 2022/23.

Annex 2: Implementation plan 2022/23 – 2023/24

KEY RESULT AREAS 1. FINANCIAL PERFORMANCE				
Strategic objective 1.1: Assured Financial sustainability				
Activities	KPI		Reporting frequency	Responsible
	2022/2023	2023/2023		
Strategic Initiatives 1.1.1 Enhance income generation (Receipts in Kshs)				
• Loan collections	817,888,057	1,189,740,741	Quarterly	DD - PM
• Rent receipts	365,263,791	486,353,231	Quarterly	DD - HRA
• Dividends receipts	869,467,330	657,403,182	Quarterly	DD - PM
• Interest on deposits	174,555,248	54,131,078	Quarterly	DD – F&A
• Income collections from business advisory fees	18,590,400	0	Quarterly	DD – BD&A
• Sale of investment properties	79,351,728	74,000,000	Quarterly	DD – F&A
• Divesture	0	4,238,900,000	Annually	DI
• Income from disposal	0	2,500,000	Quarterly	Manager - SCM
• Drive project	86,427,100	2,061,750,780	Quarterly	DI
• EXIM Bank of India	14,616,719	0	Quarterly	DI
• External resource mobilization	410,103,660	50,000,000	Quarterly	DD - PRM
Strategic Initiatives 1.1.2 Mobilize mandate aligned resource mobilization				
• Identify financial resource gap (sector intervention based)	1 Resource gap report	1 Resource gap report	Y2Q4	DI
• Identify potential funders to close the identified gap	Listing (with conditions precedent)	Listing (with conditions precedent)	Y2Q4	DD – PRM
• Mobilize resources	-	100% of the gap identified	Y3Q1	DD – PRM
• Prepare accountability statements for the mobilized funds	1 annual report	1 annual report	Y2Q4/Y3/Q4	DD - DM
• Ensure compliance with debt and grants providers conditions as captured in the debt/grant's agreements	2 reports	4 reports	Quarterly	DD – PM
Strategic objective 1.2: Effective portfolio management				
Strategic Initiative 1.2.1: Attain portfolio at risk ratio of 25% or less				
• Review portfolio management guidelines	Reviewed guidelines	-	Y2Q4	DD – PM
• Undertake quarterly portfolio monitoring	4 Reports	4 Reports	Quarterly	DD – PM
• Resolve historical NPLs	50%	25%		DD – DM
KEY RESULT AREAS 2. OPERATIONAL EXCELLENCY				

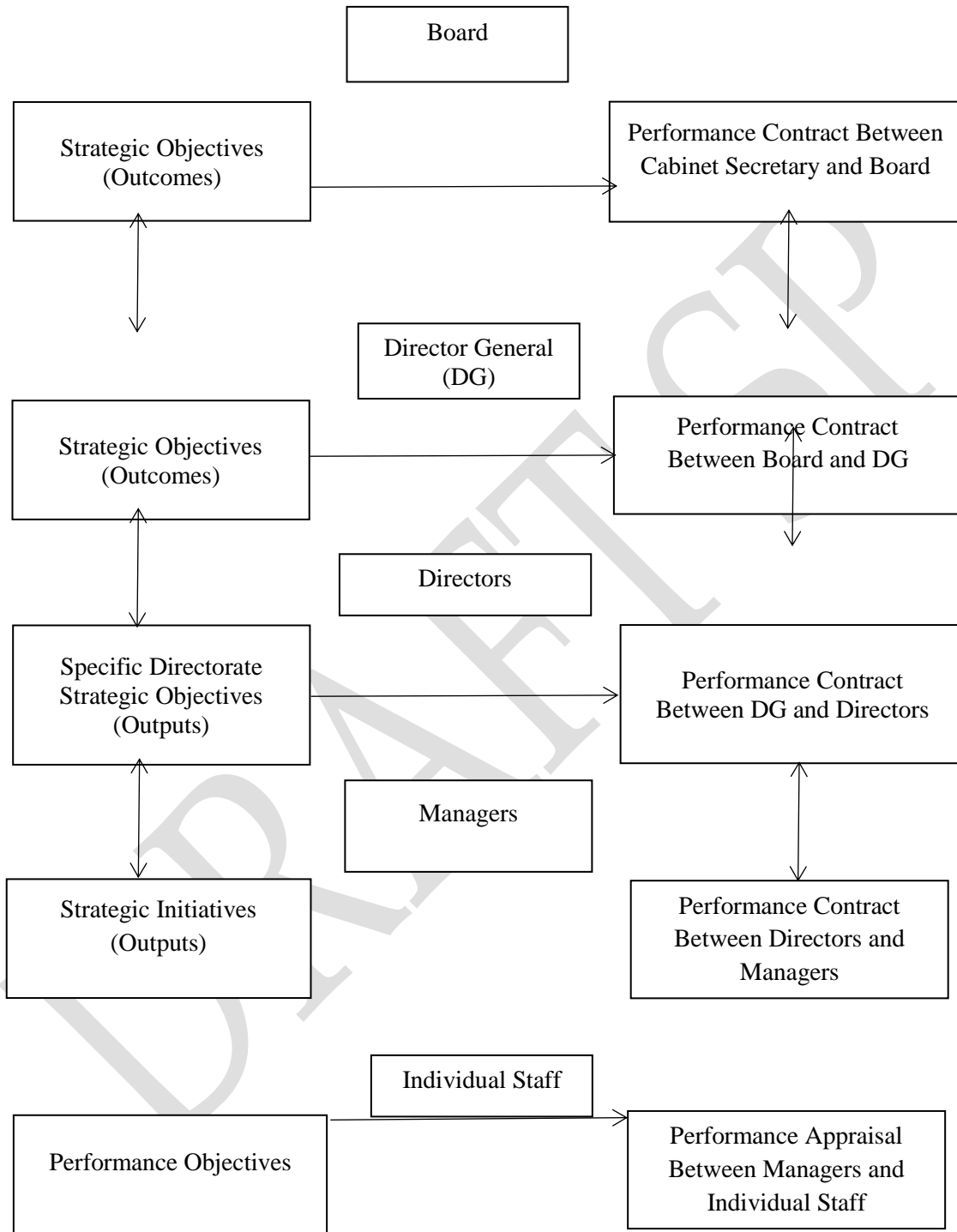
Strategic objective 2.1: Increase sectoral based interventions				
Activities	KPI		Reporting frequency	Responsible
	2022/2023	2023/2024		
Strategic Initiatives 2.1.1 Develop sectoral aligned interventions				
• Develop specific sectoral interventions	-	Sectoral interventions	Y3Q1	DI/DD SPPM
• Launch of sectoral interventions by KDC	-	Launching event	Y3Q1	DG, DI and DCS
Strategic Initiatives 2.1.2 Undertake social economic identified interventions				
• Deal sourcing		Identified 19 sectoral areas	Quarterly	DD – BD&A
• Deal sourcing sectoral distribution	-	Cover 100% KDC sectors	Quarterly	DD – ICT
• Processing lead time	Vetting	2 days	Quarterly	DD – BD&A
	Screening	2 days		DD – A&A
	Appraisal up to TIC for approval	20 days		DD – A&A
	TIC to MIC	7 days		DLS
	TIC to FIC	7 days		DLS
	FIC to full Board	7 days		
• Approvals			Quarterly	DD – A&A
• Legal perfection timelines	Approval to offer letter	2 day	Quarterly	DD - LS
	TAT to sharing list of lawyers	1 day		DD - LS
	TAT to issuance of instructions	2 days		DD - LS
	TAT to legal completion	60 days		DD - LS
• Disbursements after request by the client		48 hours		
• Sectoral Interventions achievement report	-	4 reports	Quarterly	DI
• Amount of approvals	-		Quarterly	DI
• Amount of Disbursements	2,430,000,000	4,683,817,000	Quarterly	DI
• Number of sectoral investments fully established as identified	-	19	Annually	DI
• Number of business advisory done		8	Quarterly	DD – BD&A
Strategic Initiatives 2.1.3 Enhance effective social impact related communication on KDC sectoral interventions				
• Create general awareness on KDC projected interventions per sector of interest	2 report	4 reports	Quarterly	DCS
• Establish awareness protocols for third party investments	Approved protocols ¹		Y3Q1	DCS
• Create awareness on impact for consented funded entities	-	70% of those funded	Quarterly	DCS
Strategic objective 2.2 Adopt efficient and effective operations				

Activities	KPI		Reporting frequency	Responsible
	2022/2023	2023/2023		
Strategic Initiatives 2.2.1 Ensure effective customer engagement				
• Establish customer excellence unit within the corporate communication department	Board approved Unit	-	Y2Q4	DCS
• Institutionalize servqual	Adopted servqual model	-	Y3Q1	DCS
• Ensure full adherence to both customer promise (service charter) and departmental promises (SLAs)	2 reports	4 reports	Quarterly	DCS
	100% adherence	100% adherence		
Strategic Initiatives 2.2.3 Enhance brand visibility				
• Undertake brand audit	Brand Audit report	-	Y2Q4	DCS
• Develop a work plan for the audit's recommendations'	Approved work plan	-	Y2Q4	DCS
• Implement the developed workplan	100% achievement	100% achievement	Quarterly	DCS
Strategic Initiatives 2.2.4 Ensure business processes are re-engineered				
• Identify Key processes within KDC and participants	Process mapping	-	Y3Q2	DD - SPPM
• Analyze, design and adoption of re-engineered processes	Proposed process	-	Y3Q2	DD - SPPM
Strategic Initiatives 2.2.5 Improve Technology Capabilities and Infrastructure				
• Ensure safe and secure infrastructure	100% security application	100% security application	Quarterly	DD - ICT
• Undertake validation for the developed system analysis by the user departments	Validation Notes	-	Y2Q3	DD - ICT
• Implement noted gap analysis report	40% systems gaps closure	40% systems gaps closure	Quarterly	DD - ICT
• Appraisal process system acquisition	-	100% automation	Quarterly	DD - ICT
Strategic Initiatives 2.2.6 Establish effective compliance and corporate governance framework				
• Prepare comprehensive corporate governance framework	Approved framework	-	Y2Q3	DLS
• Fully implement the developed governance framework	100%	-	Y2Q4	DLS
Strategic Initiatives 2.2.7 Develop and implement a Business model that is more of impact that profitability				
• Procure a business model consultant	Approved business model	-	Y2Q3	DD – SPPM/HR&A
	Approved organogram	-	Y2Q4	
• Fully implement the approved business model	-	100% implementation	Y3Q4	DD – SPPM/HR&A
Strategic Initiatives 2.2.8 Establish a reliable assurance mechanism				
• Develop an annual strategic risk-based audit plan	2022/2023 Approved plan	2023/2024 Approved plan	Y1Q4/Y2Q4	Manager - Audit
• Implement the annual strategic risk-based audit plan	100% implementation	100% implementation	Quarterly	Manager - Audit
• Ensure closure of all audit queries	100% closure (Internal control) 75% closure (External control)	100% closure (Internal control) 75% closure (External control)	Quarterly	All HODs
Strategic objective 2.3 Institutionalize enterprise risk management and research on KDC operations				

Strategic Initiatives 2.3.1 Ensure full compliance with all legal, operational requirements				
• Departmental compliance mapping	-	Approved compliance mapping	Y3Q1	Manager - Risk
• Develop corporate compliance mapping	Compliance mapping	-	Y2Q4	Manager - Risk
• Self-assessment and variance action plan from departments	Departmental report	Departmental report	Quarterly	Manager - Risk
	Closure level	100%	Quarterly	
• Baseline corporate compliance audit		Audit report	Y3Q1	Manager - Risk
• Develop non-compliant areas action plans		Action plan	Y3Q2	Manager - Risk
• Ensure sustained compliance		100% compliance	Quarterly	Manager - Risk
Strategic Initiatives 2.3.2 Develop risk and research culture within KDC				
• Develop risk gap analysis report	Approved report		Quarterly	Manager – Risk
• Develop action plan to close the identified risk gaps	Action plan		Quarterly	Manager – Risk
• Review risk management framework			Y2Q1/ Y2Q1	Manager – Risk
• Review KDC risk tools	Approved risk tools			
• Develop master risk register	Approved risk register	100% implementation	Quarterly	Manager – Risk
• Define KDC appetite levels	Approved appetite levels			
• Prepare risk advisory report on KDC sectors of interest	2 reports	4 reports	Quarterly	Manager – Risk
• Prepare KDC sectoral Investment advisory report	2 reports	4 reports	Quarterly	DD - SPPM
KEY RESULT AREAS 3: PARTNERSHIPS ENGAGEMENT				
Strategic objective 3.1 Establishing institutional partnerships that aid effective actualization of KDC mandate				
Strategic Initiatives 3.1.1 Establishing institutional partnerships that aid effective actualization of KDC mandate				
• Initiate and formalize collaborations with business listed partners identified in this strategic plan	-	100% formally engaged	Quarterly	DD - PRM
• Partnership engagements reports as per signed MoU	-	4 reports	Quarterly	DD - PRM
• Through established MITI guidelines, leverage on Kenya's foreign diplomatic missions for investment promotions	-	4 reports	Quarterly	DD - PRM
Strategic Initiatives 3.1.2 Establishing partnership that are key to building capacity to staff				
• Through the developed competency framework, identify potential partners and develop listing.	Developed listing	-	Y2Q3	DD – HR&A/PRM
• Initiate and formalize collaborations with above listing	40% formally engaged	60% formally engaged	Y2Q4	DD – HR&A/PRM
• Scope engagement status as per signed MoU	2 reports	4 reports	Quarterly	DD - PRM

KEY RESULT AREAS 4: ORGANIZATIONAL CAPABILITY				
Strategic objective 4.1 Enhance staff morale and cohesion				
Strategic Initiatives 4.1.1 Ensure closure of all staff post-merger issues/concerns				
• Undertake staff survey	Survey report (21/22 FY) 75% score	Survey report (22/23 FY) 85% score	Y2Q2/Y3Q2	DD – HR&A
• Implementation of survey identified recommendations'	100% 21/22 recommendations'	100% 22/23 recommendations'	Quarterly	DD – HR&A
• Develop a listing of all issues raised by staff post-merger and develop a closure recommendation	Board Noted closure plan	-	Y2Q3	DD – HR&A
• Ensure implementation of the approved closure plan	100% achievement as per plan	100% achievement as per plan	Quarterly	DD – HR&A
Strategic Initiatives 4.1.2 Provide conducive working environment				
• Complete office renovation and fit out works	70% floors ready	30% floors ready	Quarterly	DD – HR&A/PRM
Strategic objective 4.2 Improve staff productivity				
Strategic Initiatives 4.2.1 Ensure effective labour utilization				
• Undertake labor utilization audit	Audit report	-	Y2Q3	DD – HR&A
• Implement result of the labor utilization audit	30%	70%	Quarterly	DD – HR&A
Strategic Initiatives 4.2.2 Develop and implement competency framework				
• Development of KDC Competency Framework (CF)	Approved framework	-	Y2Q3	DD – HR&A
• Development of TNA as per approved CF	Approved TNA	Approved TNA	Y2Q3/Y3Q1	DD – HR&A
• Implementation of the developed TNA	100%	100%	Quarterly	DD – HR&A
• Develop succession plan and draw an action plan	Approved plan	-	Y2Q3	DD – HR&A
• Implement the succession plan	Plan implementation status	-	Y2Q3	DD – HR&A
•		60%	Quarterly	DD – HR&A
Strategic Initiatives 4.2.3 Improved performance and productivity				
• Review of productivity indices using value added approach	Approved productivity indices	-	Y2Q3	DD – HR&A
• Develop productivity metric's for monitoring productivity	Approved productivity matrix's	-	Y2Q3	DD – HR&A
• Develop productivity management framework for KDC	Approved framework	-	Y2Q3	DD – HR&A
• Prepare performance and productivity reports	2 Quarterly reports	4 Quarterly reports	Quarterly	DD – HR&A

Annex 3: Cascading Strategic Plan



Annex 4: Approved Organizational Structure

