KENYA DEVELOPMENT CORPORATION

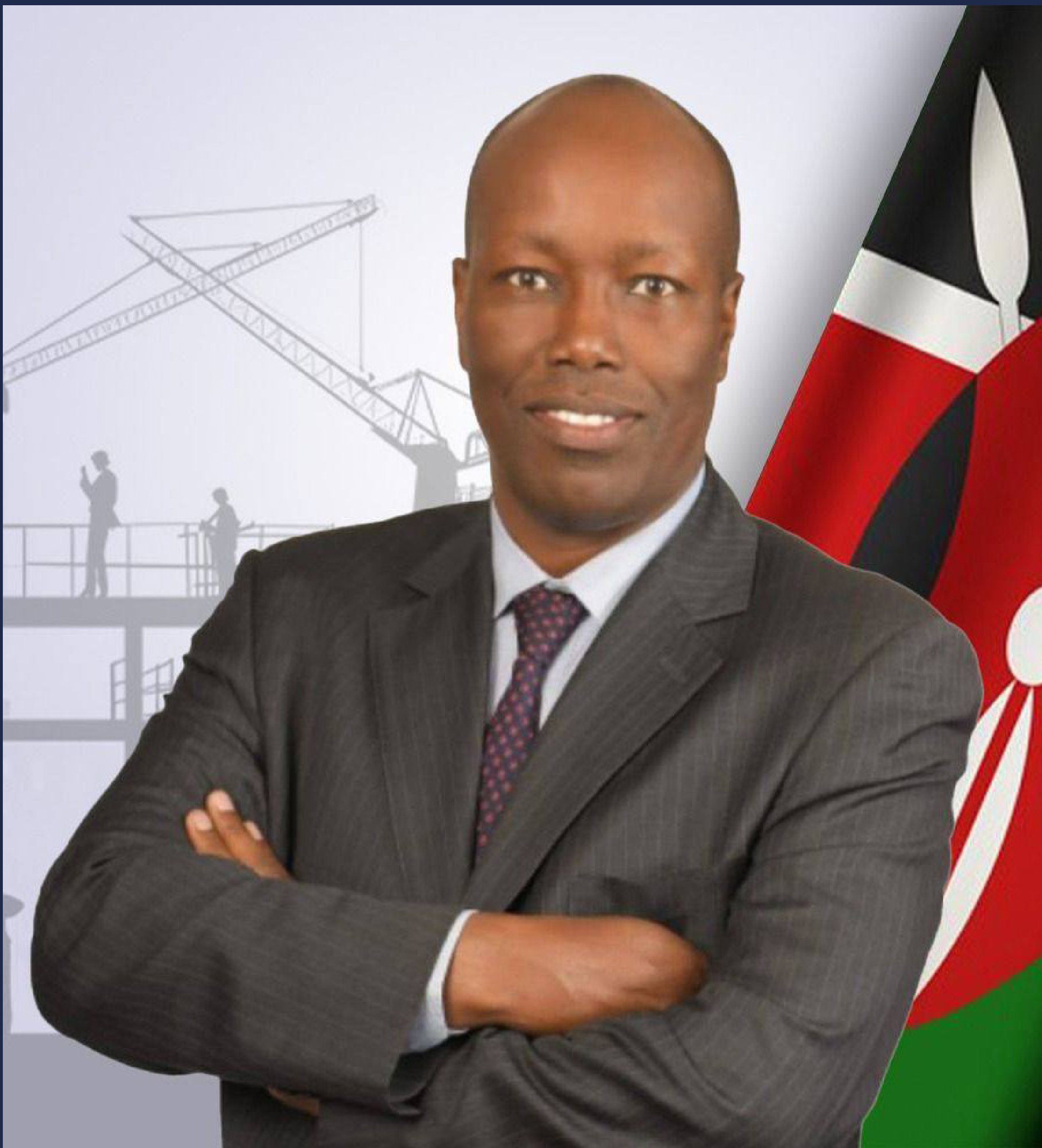
2.0 STRATEGIC PLAN
(2024/25-2028/29)

REPUBLIC OF KENYA

MITI
MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

KENYA VISION 2030

TRANSFORMING KENYA'S SOCIO-ECONOMIC LANDSCAPE



Hon. Lee Kinyanjui
Cabinet Secretary, Ministry of Investments, Trade and Industry

Vision

A globally competitive development finance partner

Mission

To provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development

Core Values

- Customer-centric
- Integrity
- Sustainability
- Inclusivity
- Collaboration

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PS Abubakar Hassan, together with KDC DG Norah Ratemo and the World Bank team, held talks with Qatar Investment Authority Chief Investment Officer Faisal Thani Al-Thani on expanding the Green Investment Fund to US$200 million.

Foreword

> At the Corporation, we are cognizant of the environment and climate change and its attendant negative socio-economic impacts.

Hon. Dr. Sakwa J. Bunyasi, Board Chairman

I am excited to present this Strategic Plan which spells out the future of Kenya Development Corporation in our efforts to catalyze and promote sustainable socio-economic development through financial and technical interventions. In this Strategic Plan, we have clearly articulated our "raison d'être" which is **Transforming Kenya's socio-economic landscape.** We have aligned our actions towards our Vision of being 'A globally competitive development finance partner'. In pursuit of this vision, we have identified four **High Impact Strategic Goals** during this strategic planning cycle namely, *attaining food security in Kenya through elimination of post-harvest losses, spurring economic growth through industrialization, increased level of economic contribution from the service sectors, and, enhanced positive socio-economic impact*. These goals are aligned to the government's Bottom-Up Economic Transformation Agenda, the Fourth Medium Plan and Kenya Vision 2030. Furthermore, our high impact goals have direct correlation with the goals espoused in key regional and global blue-prints, namely East Africa Community Vision 2050, Africa Union Agenda 2063 and Sustainable Development Goals.

Our fifth strategic goal is to ensure that we develop a sustainable organization, capable of delivering its mandate through financial resilience, optimized digitalization, and multi-skilled, motivated and productive teams. The Corporation shall drive positive socio-economic transformation through structured financial and business advisory products and services in key priority sectors with significant impact on job creation, value chain enhancement, domestic and foreign direct investment. These core areas include *agro-processing and its value chain, blue economy, manufacturing value chain, hospitality, health, digital and creative economy, infrastructure, climate change and cross-cutting issues.*

During implementation of our previous Strategic Plan, we proactively collaborated with the World Bank through the National Treasury, securing special funding lines amounting to KSh 17.9 billion for three projects, namely De-risking, Inclusion and Value Enhancement project (DRIVE project), Kenya Jobs and Economic Transformation project (KJET project) and Supporting Access to Finance and Enterprise Recovery project (SAFER project). These projects continue to create positive socio-economic transformation in our country, transcending the direct beneficiaries. We are grateful to the Ministry of Investment, Trade and Industry, the National Treasury, Ministry of Agriculture and Livestock Development, other Ministries, Capital Markets Authority and other government agencies, the World Bank and other Development Partners, and both local and international private entities for their support, collaboration and continuous partnership, and look forward to enhanced participation as we start implementing our second Strategic Plan.

At the Corporation, we are cognizant of the environment and climate change and its attendant negative socio-economic impacts. We have thus committed to work with all our stakeholders to support green agenda, and ensure it is mainstreamed in all our financial and technical interventions. I wish to express my deep gratitude and appreciation to members of the Board, Management, Staff, Stakeholders and all those who participated in preparation of this Strategic Plan, for their inputs, and invite all of you to support its full implementation.

Preface and Acknowledgement

"Our pioneer Strategic Plan, KDC 1.0 Strategic Plan, created a sound foundation for the Corporation at its inception, and has realized key milestones and achievements, and lessons and challenges, leading us to the second strategy cycle."

Norah B. Ratemo, Director General

I am delighted to present our KDC 2.0 Strategic Plan that sets forth our roadmap for the next five years. As a single cross-cutting development finance institution in Kenya, we recognize the need to continuously evolve and improve our operations to ensure we are meeting the dynamic needs of our stakeholders. We are excited to embrace the challenges and opportunities that lie ahead, and remain committed to achieving our Mission of "To provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development".

Our pioneer Strategic Plan, KDC 1.0 Strategic Plan, created a sound foundation for the Corporation at its inception, and has realized key milestones and achievements, and lessons and challenges, leading us to the second strategy cycle. Therefore, this Strategic Plan acknowledges the past, addresses current challenges, and looks into the future. It provides a framework for maximizing impactful development interventions and effectively contributing to the national socio-economic transformation, which in turn, supports the government's priorities under BETA, and contributes to the goals espoused in EAC Vision 2050, AU Agenda 2063 and the SDGs.

We have prioritized implementation of revamped business model and internal processes, and effectively leveraging technology and human resource capital to build internal capacity and enhance efficiency and effectiveness to achieve our core mandate. An effective and efficient KDC will enable us drive financial goals that make the Corporation stable and resilient, and critically evaluate programs and projects that we on-board to ensure they achieve outcomes desired by our stakeholders, and spur socio-economic transformation in our landscape, as we pursue our ambitious targets for this period. Our approach is triple-pronged. It looks at our purpose, sustainability of our interventions and the enablers in terms of resources and capacity, in three Key Result Areas, namely: *maximizing impactful development interventions; strategic partnerships, collaborations and networks; and institutional capacity*

I wish to acknowledge the National Treasury, Public Service Commission (PSC), Ministry of Investment Trade and Industry, our stakeholders and peers for their collaboration and technical support. I do equally recognize and appreciate our Board members lead by the Chairman, Hon. Dr. Sakwa J. Bunyasi, for their strategic leadership and participation in preparation of this Strategic Plan. I am grateful to all our staff and the strategic planning team for their participation, dedication and resourcefulness in preparation of this Plan. Similarly, special gratitude goes to our Consultants for facilitating the process in a participatory and consultative manner, guiding our deliberations and putting it all together in the Plan.

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Acronyms and Abbreviations

AADFI	Association of African Development Finance Institutions
AI	Artificial Intelligence
APHLIS	African Post-Harvest Losses Information System
AU	Africa Union
AWPs	Annual Work Plans
BETA	Bottom-Up Economic Transformation Agenda
BPR	Business Processes for Reengineering
CBK	Central Bank of Kenya
CMA	Capital Markets Authority
COVID 19	Corona Virus - 2019
CRM	Customer Relationship Management
CS	Cabinet Secretary
CSR	Corporate Social Responsibility
DDI	Direct Domestic Investment
DFI	Development Finance Institution
DRIVE	De-risking, Inclusion and Value Enhancement
EAC	East Africa Community
EDMS	Electronic Data Management System
ERM	Enterprise Resource Management
ERP	Enterprise Resource Planning
ESG	Environment Social Governance
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
Govt	Government
ICDC	Industrial and Commercial Development Corporation
ICT	Information and Communication Technology
IDB	Industrial Development Bank
ISO	Organization for International Standards
JICA	Japan International Cooperation
JVs	Joint Ventures
KDC	Kenya Development Corporation
KJET	Kenya Jobs and Economic Transformation
KMF	Knowledge Management Framework
KMR	Knowledge Management Repository
KMS	Knowledge Management Strategy
KRAs	Key Result Areas
KSh	Kenya Shilling
MERL	Monitoring, Evaluation, Reporting and Learning
MICE	Meetings, Incentives, Conferences and Exhibitions
MITI	Ministry of Trade and Industry
MoUs	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprise
MTP-IV	Fourth Medium Term Plan
NDIP	National Development Investment Policy
NPL	Non-Performing Loans

NT&EP	National Treasury and Economic Planning
OSHA	Occupational Safety and Health Act
PAR	Portfolio at Risk
PES	Partnership Engagement Strategy
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
PFM	Public Finance Management
PPP	Public Private Partnership
PSC	Public Service Commission
RMS	Resource Mobilization Strategy
RPI	
SAFER	Supporting Access to Finance and Enterprise Recovery
SC	State Corporation
SDG	Sustainable Development Goals
SMART	Specific, Measurable, Achievable, Realistic, Timebound
SOPs	Standard Operational Procedures
SSCI	Sustainability Standards Certification Initiative
STT	Strategic Theme Teams
SWOT	Strength, Weaknesses, Opportunities, Threats
TAT	Turn Around Time
TFC	Tourism Finance Corporation
TIA	Training Impact Assessment
TNA	Training Needs Analysis
TNT	The National Treasury
ToR	Terms of Reference
TSA	Treasury Single Account
UN	United Nations
UNIDO	United Nations Industrial Development Organization
VCs	Venture Capitalists
WB	World Bank
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund

KDC Directorates and Departments

BD	Business Development
BoD	Board of Directors
CEO	Chief Executive Officer
Corp Serv	Corporate Services
Cust Exp	Customer Experience
DCS	Director Corporate Services
DD-SPPM	Deputy Director- Strategy, Planning and Performance Management
DG	Director General
EC	Executive Committee
HR	Human Resources
LT	Leadership Team
PDRM	Partnership Development and Resource Mobilization
PMD	Portfolio Management Department
SPPMD	Strategy, Planning and Performance Management Department
SPR	Strategy, Policy and Research

Definition of Terms

Digital Economy:
Refers to all economic activity dependent on or enhanced by the integration of digital elements such as digital technologies, infrastructure, services, and data. It also refers to all economic agents, including governmental bodies, who incorporate these digital components into their economic operation.

DRIVE Project
De-risking, Inclusion and Value Enhancement (DRIVE) is a $360.5m project funded by the World Bank and partners, established to enhance pastoralists' access to financial services for drought mitigation, include them in value chains, and facilitate livestock trade in the Horn of Africa. The project will enable the region to adapt to the impacts of climate change, commercialize livestock production in pastoralist communities, and ensure the inclusion of marginalized and vulnerable groups, including women in the sector.

In Duplum
A principle in lending that states that at no time should the lender recover more interest than the principal amount owing.

Kenya Vision 2030
A long-term development blueprint that aims to transform the country into a newly industrialized, middle-income nation providing high quality of life to all its citizens by 2030 in a clean and secure environment.

Key Activities
These are actions taken or work performed, through which inputs are mobilized to produce outputs.
Key Result Area This is an outline of the Corporation's area of focus. It also refers to the general areas of outputs or outcomes for which the Corporation is responsible. It is also referred to as Strategic Focus Areas or Themes.

KJET Project
KJET (Kenya Jobs and Economic Transformation) is a World Bank sponsored project aimed at benefiting at least 45,000 Kenyans, including at least 6,800 women through new or improved job opportunities. The project aims to increase private sector investments, access to markets and sustainable finance to create and improve jobs.

Outcome
The intermediate results generated relative to the objective of the intervention. Outcome describes the actual change in condition or situation as a result of the applied interventions.

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

Output Indicator
A means for measuring progress or change that results from an intervention.

Portfolio at Risk
Portfolio at Risk (PAR) measures the percentage of loans outstanding in a lender's total loan portfolio that are at risk of default, typically defined as loans that are 30 days or more past due.

Public Private Partnership
Is a mechanism for government to procure and implement public infrastructure partnerships and/or services using the resources and expertise of the private sector.

Strategic Goals
These are general qualitative statements on what the Corporation is hoping to achieve in the long term.

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

Strategic Objectives
These are what the Corporation commits itself to accomplish in the strategic planning period; they establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

Strategies
These are broad abstractions which are descriptive of the means of achieving the Strategic Objectives.

Targets
A result to be achieved within a given time-frame

SAFER
Supporting Access to Finance and Enterprise Recovery (SAFER) Project is a World Bank project designed to bolster the resilience of Micro, Small, and Medium Enterprises (MSMEs) in Kenya by enhancing their access to financial services, thereby fostering post-pandemic recovery and long-term growth.

Impact
The compounded intermediate effect or effects generated out of specific or several interventions.

Executive Summary

Kenya Development Corporation is the country's single cross-sector Development Finance Institution (DFI). KDC was established as a result of the merger of Industrial and Commercial Development Corporation (ICDC), Tourism Finance Corporation (TFC) and Industrial Development Bank (IDB) Capital Limited. It is mandated *To promote sustainable economic development by providing development finance, appropriate infrastructure, business support and advisory services to medium and large-scale industries and commercial undertakings in target sectors in Kenya and elsewhere.* Upon establishment, the Corporation developed KDC 1.0 Strategic Plan which has been under implementation for the last three years. In succession to the ending Strategic Plan implementation cycle, the Corporation instituted a process to develop a five-year Strategic Plan (2024/25-2028/29) premised on institutional turnaround and growth strategic model themed as **'Socio-Economic Transformation Strategy.'**

The Corporation scanned the prevailing macro and micro-economic environments, recognizing challenges, opportunities, and development priorities for the country. The Strategic Plan is aligned to the objectives and goals espoused in Bottom-up Economic Transformation Agenda (BETA), Fourth Medium-Term Plan (MTP-IV), Kenya Vision 2030, East Africa Community (EAC) Vision 2050, Africa Union (AU) Agenda 2063 and Sustainable Development Goals (SDGs). Furthermore, the Corporation has ensured that the Plan conforms with the ideals and requirements of the Constitution of Kenya, subsequent Acts of parliament, relevant sector policies and regulations. In addition, benchmarking was done with regional DFIs to adopt best practices.

Through the Strategic Plan, the Corporation has affirmed its mandate, articulated its purpose, vision, mission, organizational philosophy and values, being the foundational statements of identity upon which all its strategies and operations shall be anchored. The Vision is *A globally competitive development finance partner.* This vision will be actualized through the Corporation's mission which is *to provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development.*

Development of this Strategic Plan entailed broad consultations with stakeholders and undertaking situation analysis using PESTEL, SWOT, Porter's Five Forces, Functional Analysis, and industry and market analyses tools. Through the analysis, key issues were identified leading to development of appropriate strategic actions. The identified challenges and opportunities were summarized into five Strategic Issues namely: *high level of post-harvest losses being experienced by farmers, estimated to range between 12% and 17% for cereals (African Post-Harvest Losses Information System (APHLIS-2021)); declining contribution to GDP by manufacturing sector in Kenya from 9.3% in 2016 to 7.2% in 2021 (KNBS, 2022); untapped economic potential in the service sectors that is capable of making significant contribution to the Kenya economy and job creation; inadequate leveraging of strategic partnerships, collaborations and networks to enhance interventions in high socio-economic impact areas; and limited financial resources to meet investment demand, unoptimized organizational capacity and operational efficiency.*

Transforming Kenya's socio-economic land-scape is the ultimate purpose for which the Corporation exists. The Corporation identified a number of strategic initiatives and activities that will drive attainment of its High Impact Strategic Goals, namely: *attaining food security in Kenya through elimination of post-harvest losses; spurring economic growth through industrialization; increased level of economic contribution from the service sectors; enhanced positive socio-economic impact, and, building a sustainable organization.*

The foretasted High Impact Strategic Goals will be delivered by focusing objectives, strategies and activities in three broad Key Result Areas (KRAs). The KRAs are: (i) **M**aximizing impactful development interventions; (ii) **S**trategic partnerships, collaborations and networks; (iii) Institutional capacity.

The Strategic Plan is structured in eight chapters and appendices. **Chapter One** covers the imperatives for strategic planning, context under which the plan is prepared, alignment with key development blue prints, policy, regulations and legal instruments, and the approach and methodologies adopted in its preparation. **Chapter Two** defines the Corporation's strategic direction by outlining the vision and mission statements, strategic goals, core values, value proposition and customer profile.

Detailed situation analysis is provided in **Chapter Three**, while **Chapter Four** articulates the strategic issues, goals and Key Result Areas (KRAs). **Chapter Six** details the implementation and coordination framework which includes annual workplan and budget, performance contract, staffing, governance and leadership matters as well as risk management framework. **Chapter Seven** provides a summary of the financial resources required, which is approximately **KSh 31.40 billion** for implementation of this Strategic Plan. Monitoring, evaluation and reporting framework is discussed in **Chapter Eight.** Furthermore, a detailed Implementation Matrix is attached in **Appendix I**, Annual Workplan in **Appendix II** and Organization structure in **Appendix III.**

Strategic Model

Mandate

To promote sustainable economic development by providing development finance, appropriate infrastructure, business support and advisory services to medium and large-scale industries and commercial undertakings in target sectors in Kenya and elsewhere.

Purpose

Transforming Kenya's socio-economic landscape

Strategic Goals

- Attaining food security in Kenya through elimination of post-harvest losses,
- Spurring economic growth through industrialization,
- Increased level of economic contribution from the service sectors,
- Enhanced positive socio-economic impact,
- Building a sustainable organization.

Key Result Areas

- Maximizing impactful development interventions;
- Strategic partnerships, collaborations and networks;
- Institutional capacity.

Strategic Objectives

- To increase Investment in High Impact Sectors by kshs 25B to spur national socio-economic growth.
- To increase Investments in special purpose projects by kshs 25B for equitable economic growth
- To promote the sustainability of funded enterprises through project preparation and business advisory.
- To report on the Corporation's socio-economic impact.
- To mobilize financial resources towards interventions in sectors with high socio-economic impact.
- To enhance strategic collaborations in technical areas and knowledge transfer.
- To effectively contribute in national economic policy direction.
- To strengthen Corporation's financial sustainability.
- To enhance internal operational efficiency in order to achieve excellent customer experience
- To promote effective communication and brand visibility.
- To mainstream research and institutionalize innovation.
- To implement digital transformations and adopt a data-driven decision-making approach.
- To attract and retain productive human capital.
- To enhance governance, risk and internal controls.

Chapter One:

Introduction

Overview

This Chapter examines the rationale for strategic planning in the context of increasing national, regional and global expectations of the public institutions in the development finance sector. In this Chapter, a brief historical background of the Kenya Development Corporation (KDC) has been provided. The methodology and approach used in preparation of the KDC 2.0 Strategic Plan (2024/25-2028/29) is outlined.

1.1 Strategy as an Imperative for KDC's Success

The Strategic Plan is a vital document for KDC's institutional success, providing clear direction, facilitating effective resource allocation, enhancing decision-making, and promoting accountability. This Strategic Plan guides KDC in fulfilling its core mandate while aligning with important contextual factors in its operational environment. In developing this plan, KDC has considered its past and present performance, local, regional, and international circumstances, 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.

KDC is fully committed to implementing this Strategic Plan, aiming at long-term sustainability, relevance, and impact through financial and technical interventions in priority economic sectors. The strategies developed not only ensure sustained success but also steer KDC towards realizing its vision and achieving high-performance levels over the next five years.

KDC will implement its objectives and strategies under three Key Result Areas (KRAs) to effectively contribute to regional and international development agendas, including the EAC Vision 2030, AU Agenda 2063, and SDGs, ultimately making a significant socio-economic impact in Kenya. The KRAs are:

- Maximizing impactful development interventions;
- Building strategic partnerships, collaborations, and networks; and
- Strengthening institutional capacity.
- KDC has identified five (5) high-impact goals to deliver on its mandate as outlined here below:
- Attaining food security in Kenya by eliminating post-harvest losses;
- Spurring economic growth through industrialization;
- Increasing the economic contribution of the service sectors;
- Enhancing positive socio-economic impact; and
- Building a sustainable organization.

1.2 Context of the Strategic Planning

KDC, as a creation of the law and as a public entity is governed by a range of legislations that it considered when developing the KDC 2.0 Strategic Plan. These include the laws that primarily embody the legal mandate of KDC. The important legal instruments under this heading are the Constitution of Kenya, 2010, and the Companies Act, 2015. There are also statutes, subsidiary legislations and regulations made pursuant to these principal laws which are also relevant to the operations of KDC. There are also national policy instruments, regional and international blueprints which Kenya subscribes to. The significant and relevant issues from these documents have been summarized in this section thereby enabling the Corporation to carry out appropriate alignments.

Development Finance Institutions (DFI) operate with a global perspective, addressing complex development issues, promoting inclusive growth, advancing sustainable development agenda, and contributing to the global effort to build a more prosperous, equitable and resilient world. DFIs mobilize investment capital for projects and initiatives that contribute to socio-economic development, job creation and poverty reduction. They bridge the gap between public and private sector financing, particularly in sectors where commercial banks may be reluctant to invest due to perceived risks or longer time horizons.

They specialize in sectors such as agriculture and its value chains, renewable energy, roads and water infrastructure, manufacturing and health. This specialization allows them to tailor financial products, technical assistance, and capacity building efforts to the unique needs and challenges of these sectors, thereby driving innovation and growth. They prioritize projects and investments that have significant socio-economic impacts, promote inclusive growth, job creation, and poverty reduction. They also target underserved regions and populations, supporting SMEs and marginalized communities to improve livelihoods and reduce economic disparities.

DFIs provide technical assistance, capacity building, and knowledge sharing to strengthen institutional capacity, governance frameworks, and policy environments in partner countries. They support skills development, institutional reforms, and best practices adoption to enhance effectiveness and sustainability of the developments.

> **"In developing this plan, KDC has considered its past and present performance, local, regional, and international circumstances, as well as key development blueprints from the Government and various regional and international bodies."**

1.2.1 United Nations 2030 Agenda for Sustainable Development

The Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. They aim to address a wide range of social, economic, and environmental challenges. Furthermore, they recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – while tackling climate change and working to preserve our oceans and forests. SDGs collectively aim to create a world where all people can thrive in a healthy environment, with equitable access to resources, opportunities, and services.

DFIs play a role in achievement of the Sustainable Development Goals (SDGs) by mobilizing financial resources, promoting sustainable investments, and supporting development initiatives across various sectors. They prioritize projects and initiatives that contribute to the achievement of SDGs, including poverty eradication, gender equality, clean energy access, climate action, sustainable cities, and responsible consumption. The objectives and strategies in the KDC 2.0 Strategic Plan have been aligned to make effective contributions towards the realization of relevant SDGs as shown in **Table 1.2.1.**

1.2.2 African Union Agenda 2063

The African Union (AU) Agenda 2063 is a strategic framework for the socio-economic transformation of Africa over the next 50 years. It aims to accelerate the implementation of past and existing continental initiatives for growth and sustainable development. At the center of the Agenda 2063 is a vision for an economically prosperous Africa through inclusive growth and sustainable development.

The Agenda 2063 emphasizes the need for transformation, modernization, and a unified approach to realizing these aspirations. Furthermore, it aims at positioning Africa as a global powerhouse of the future, reflecting a commitment to shared prosperity, unity, peace, and socio-economic development.

Through this Strategic Plan, the Corporation commits to contribute towards attaining the goals of AU Agenda 2063 by:

1. Developing financial and technical interventions that have positive socio-economic transformation amongst the African citizens;
2. Contributing to food security by promoting investments in post-harvest management and agriculture value-chains;
3. Promoting socio-economic infrastructure development and mainstreaming of cross-cutting issues such as climate change, youth, women and people with disabilities in its programs.

Table 1.2.1: Alignment of the Strategic Plan and the SDGs

SDG GOAL	DESCRIPTION	KDC INTERVENTION
1 NO POVERTY	**End poverty in all its forms everywhere.**	Jobs created through funded Medium and Large-Scale enterprises Lending targeting investors using raw materials produced locally.
2 ZERO HUNGER	**End hunger, achieve food security and improved nutrition and promote sustainable agriculture.**	Post-harvest management sectoral investment
3 GOOD HEALTH AND WELL-BEING	**Ensure healthy lives and promote well-being for all at all ages.**	Health sector investment
7 AFFORDABLE AND CLEAN ENERGY	**Ensure access to affordable, reliable, sustainable and modern energy for all.**	Green energy investments
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Build resilient infrastructure, promote sustainable industrialization, and foster innovation.**	Manufacturing-related investment County targeted investment
13 CLIMATE ACTION	**Take urgent action to combat climate change and its impacts.**	Climate change sector investment

> At the center of the Agenda 2063 is a vision for an economically prosperous Africa through inclusive growth and sustainable development.

1.2.3 East Africa Community Vision 2050

The East African Community (EAC) Vision 2050 aims to create a prosperous, inclusive, and sustainable region where all citizens enjoy high standards of living, equitable opportunities, and a secure environment. It emphasizes the importance of economic transformation, infrastructure development, human capital, governance, peace, environmental sustainability, regional integration, and innovation as key drivers of this vision. By and large, the vision guides EAC towards becoming a prosperous, competitive, secure, and politically united region. The Corporation will play a key role in achieving this vision by catalyzing sustainable socio-economic development through provision of financial and technical support to commercial enterprises.

1.2.4 Constitution of Kenya

The Constitution of Kenya reflects a commitment to building a democratic, just, and prosperous society. It guides governance framework and policies, ensuring that principles of democracy, human rights, equality, and sustainable development are upheld in the country. In this regard, the Corporation will ensure its operations are aligned and comply with the Constitution of Kenya, 2010.

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

Kenya Vision 2030 is the country's long-term development blueprint aimed at transforming Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by the year 2030. It is based on three pillars: economic, social, and political. Kenya Vision 2030 provides a comprehensive framework for the country's development, aiming to create a vibrant, inclusive, and prosperous society by focusing on key economic, social, and political priorities.

The Fourth Medium-Term Plan (MTP IV), 2023-2027 is part of the country's broader development agenda, typically covering a five-year period and outlining key priorities, goals, and strategies for economic, social, and political development. The MTP-IV is focused on economic recovery following the disruptions of COVID-19 pandemic, and revitalization of "performance in all economic sectors in order to foster growth, employment creation and poverty reduction." The sectors targeted for growth include manufacturing, tourism, transport, commerce, MSMEs, and ICT among others. Thus, the alignment of the Corporation in this regard will be crucial in achieving the overall goal of MTP-IV in particular, and Vision 2030 in general.

The Corporation identified specific areas of focus in the exercise of its mandate that will contribute to the growth of these crucial sectors through:

1. Effective participation in the expansion of trade and industry as espoused in the economic pillar (sections 3.3 and 3.4). The Corporation will increase its investments in new enterprises and existing ones.
2. Supporting business and investment through finance and technical advisory services.
3. Prioritizing activities that promote enterprise and growth as mandated. This calls for enhanced visibility and availability of services, customer-centeredness, efficiency, effectiveness, and sustainability.
4. Designing resource mobilization strategies to increase the financial pool and other technical resources available for investment purposes.

By and large, the Corporation's operations are aligned to MTP IV because it serves as a roadmap for implementing policies, programs, and projects that contribute to achieving sustainable development and improving the well-being of Kenyans.

The Bottom-Up Economic Transformation Agenda aims to address the root causes of poverty, inequality, and economic exclusion by prioritizing the needs and aspirations of grassroots communities and vulnerable populations. It emphasizes inclusive growth, social protection, sustainable development, and effective governance to achieve lasting economic transformation and improve the well-being of all Kenyans through five pillars, namely: (i) Agricultural transformation and inclusive growth; (ii) Micro, Small and Medium Enterprise (MSME) economy; (iii) Housing and settlement; (iv) Healthcare; and (v) Digital superhighway and creative economy.

The Corporation has developed the following strategies to drive the achievement of the desired BETA outcomes:

1. Investment, project preparation, and business advisory support in identified sectors namely; post-harvest management, health, hospitality, climate change, ICT, manufacturing, blue economy, and energy.
2. Focused financing and advisory support in MSMEs, food security, and BETA value chain.
3. Provision of technical and administrative support for the Government's projects and priorities;
4. Working in partnership with both levels of Government to stimulate Foreign Direct Investment (FDI), and Domestic Direct Investment (DDI) and spur economic growth.

1.2.6 Sector Policies and Laws

Sector policies and laws provide the necessary legal and regulatory frameworks for KDC to operate effectively, ethically, and in alignment with national development priorities. Compliance with these frameworks ensures transparency, accountability, and good governance,

"The Fourth Medium-Term Plan (MTP IV), 2023-2027 is part of the country's broader development agenda, typically covering a five-year period and outlining key priorities, goals, and strategies for economic, social, and political development."

ultimately contributing to sustainable development and economic growth in Kenya.

Some of the key policies and laws include:

1. **Access to Information Act, 2016:** The Act gives effect to the right to access to information guaranteed by Article 35 of the Constitution of Kenya. The Act enjoins all public entities to grant access to information to members of the public. KDC will continue to provide information to the public per the law. The Corporation will also leverage this act to access data from other relevant public entities to enhance data-driven decision-making.
2. **Climate Change Act, 2016:** This Act establishes a framework for regulating climate change. The law represents Kenya's legal and policy response to the challenges of climate change and the need for adaptation. The Corporation will continuously invest in climate change-related investments in adherence to this act as it plays the leading role in managing climate-limited effects. Leadership and Integrity Act, 2012: The Leadership and Integrity Act makes provisions for the implementation of Chapter Six of the Constitution on leadership and integrity. It is essential for the Corporation because the accepted code of conduct among public officers and standards of public service as well as the minimum criteria for selection of office holders is set out in this law.
3. **Public Procurement and Asset Disposal Act, 2015:** The Public Procurement and Asset Disposal Act, 2015 was enacted to ensure the highest standards of integrity and probity in public procurement and asset disposal among public entities. The Act requires transparency, budget planning and proper execution, and adherence to the highest standards of integrity and probity in the procurement and disposal of assets. The Corporation is committed to undertaking all its procurements in adherence to this Act.
4. **Public Finance Management Act, 2012 (Amended in 2023):** This Act makes provisions for financial management in the National and County Government and its entities as well as in county government and its entities. This law will guide the Corporation in the various aspects of financial management. For KDC in particular, the law requires financial prudence and efficiency. Financial planning, budgeting, and expenditure should be as prescribed and the entities also should have an internal audit function.
5. **The Companies Act, 2015:** The Companies Act, 2015 is one of the most important instruments that undergird the operations of KDC. Though established under this act, the Corporation also subscribes to State Corporations Act, cap 446 which makes provisions for how State Corporations should be operated.
6. **Privatization Act, 2023:** The Act provides a comprehensive legal framework to govern the privatization of public assets. Privatization is defined as a transaction or transactions that result in a transfer, other than to a public entity, of the assets of a public entity including the shares in a state corporation but excludes sale of new shares to existing shareholders through a rights issue or any balance sheet reorganization which may lead to dilution of the percentage of shares held by a public entity." Except for those exempted under the Act, privatization has to be per the Act and follow a privatization program prepared as prescribed in the Act. Through the Corporations' divestiture programs, KDC will rely on this act for a timely exit from its mature investments.

"The Bottom-Up Economic Transformation Agenda aims to address the root causes of poverty, inequality, and economic exclusion by prioritizing the needs and aspirations of grassroots communities and vulnerable populations."

1.3 History of the Corporation

Kenya Development Corporation Ltd (KDC) is the country's single cross-sector DFI which was established in November 2020 and operationalized in July 2021 by merging the operations of the Industrial and Commercial Development Corporation (ICDC), Tourism Finance Corporation (TFC), and IDB Capital Limited. The Corporation was registered as a limited company under the Companies Act, 2015.

It is a legally independent financial institution fully owned by the GoK with the main objective of supporting national development goals. It provides financial and non-financial services to projects that have social externalities and hence, it distinguishes itself from commercial banks as it is not only driven by financial profits but also by the socio-economic impacts of its interventions.

The Corporation was established to promote sustainable economic development by providing development finance, infrastructure finance, business support and advisory services to medium and large-scale industries, infrastructure projects, and commercial undertakings in target sectors in Kenya. The Corporation defines its purpose as Transforming Kenya's socio-economic landscape and has a critical role to play in supporting the government's development agenda and being the catalyst for development in underserved sectors due to perceived risks or low return on investments.

1.4 Methodology of Developing the Strategic Plan

The Board of Directors initiated the development of the KDC 2.0 Strategic Plan following the progressive implementation of the previous strategic plan by directing the leadership team to develop clear Terms of Reference (ToR). The Management developed the ToR for undertaking an evaluation of the KDC 1.0 Strategic Plan and development of a new one and rigorously oversaw the process from initiation to finalization, ensuring the process met the expected quality and standards.

Working closely with the Consultant and the Corporation's strategic planning champions, the Corporation conducted an end-term evaluation of the KDC 1.0 Strategic Plan. The evaluation report provided valuable information that enriched the development of the new plan. The Corporation adopted a participatory, consultative, and experiential approach in undertaking the development of the KDC 2.0 Strategic Plan, a process that involved all the Corporation's staff, Management, Board of Directors, and key external stakeholders.

Through strategic planning workshops, the Corporation compiled a draft Strategic Plan which was presented to the stakeholders for validation. Valuable feedback received through the validation was incorporated into the document leading to the final KDC 2.0 Strategic Plan.

Chapter Two:

Strategic Direction

Overview

This Chapter describes the Corporation's strategic direction through its mandate, vision and mission statements. It also describes the core values that the Corporation aspire to live up to while implementing its mandate, the core purpose for its establishment, and its quality policy statement.

2.1 Mandate of the Corporation

The Corporation draws its mandate from its Memorandum and Articles of Association which is to promote sustainable economic development by providing development finance, infrastructure finance, business support, and advisory services to medium and large-scale industries, infrastructure projects, and commercial undertakings in target sectors in Kenya and elsewhere.

Specific functions include:

1. To promote sustainable economic development by providing development finance, infrastructure finance, business support and advisory services to medium and large-scale industries, infrastructure projects and commercial undertaking in target sectors in Kenya and elsewhere;
2. To establish or participate by way of joint or private equity ventures, finance or otherwise assist in the establishment of companies for execution of undertakings, works, projects or enterprises whether of private or public character and to acquire, underwrite and dispose of shares and interests in such companies;
3. To provide venture capital, seed capital and risk capital, for the development of industries; and
4. To conduct research and development to leverage the power of data, facts, and ideas in order to confront problems, create strategies, and impact change through research and collaboration.

2.2 Vision Statement

Our vision is: **A globally competitive development finance partner**

2.3 Mission Statement

Our mission is: **To provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development**

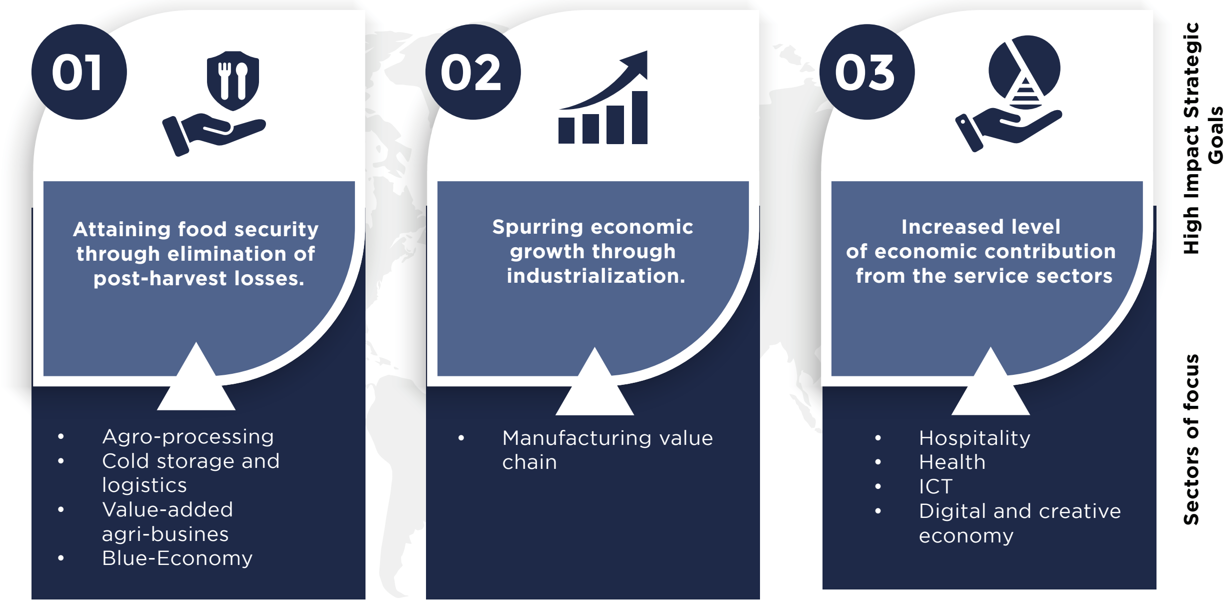
2.4 Strategic Goals

During execution of this Strategic Plan (2024/25-2028/29), the Corporation shall strive to achieve the following High Impact Goals:

1. Attaining food security through elimination of post-harvest losses.
2. Spurring economic growth through industrialization.
3. Increased level of economic contribution from the service sectors and blue economy.
4. Enhanced positive socio-economic impact.
5. A sustainable organization.

To achieve the above goals, the Corporation will make interventions in the following the sectors: post-harvest loss management, manufacturing, service and blue economy. Achievement of the above goals will equally require investment in the following cross-cutting areas: SMEs, gender, youth, infrastructure and climate change. The linkage between the goals, sectors, enablers and cross-cutting are summarized in the **Fig 2.11.1.**

Figure 2.4.1 High impact goals

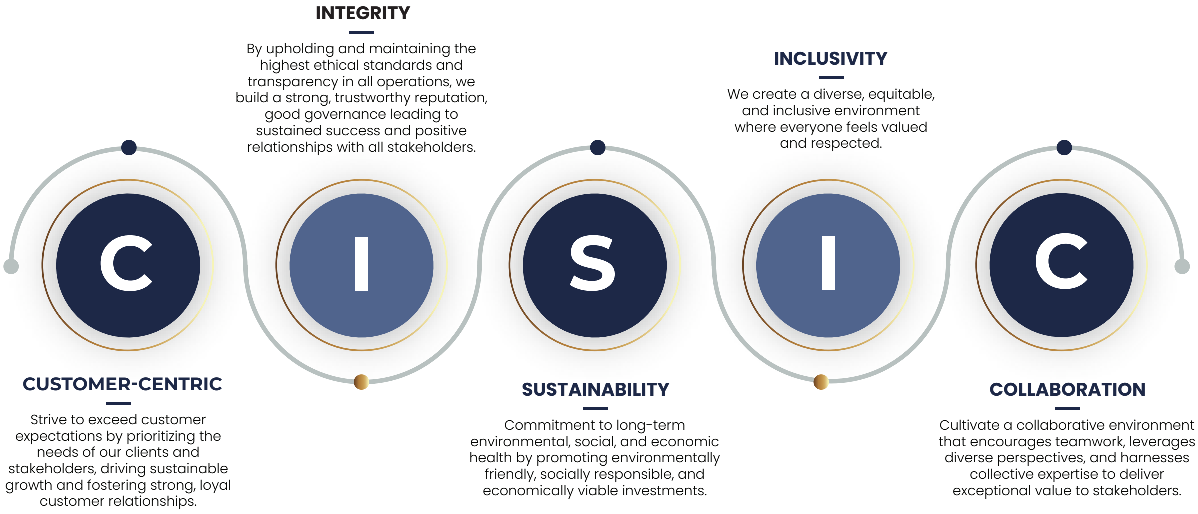


Enabler:	Infrastructure
Cross-cutting issues:	Climate change (renewable energy, energy efficiency, waste management and circular economy) SMEs, women and youth empowerment Special interventions in other sectors

2.5 Core Values

The Corporation strongly believes that to be successful in implementation of its mandate and core functions, it must nurture a culture of good corporate governance and optimal utilization of its resources for the ultimate benefit of the nation. These core values will guide our interactions and behaviors, and by extension how we serve and relate with our stakeholders. The core values have been described in Table 2.5.1 and will be abbreviated with the acronym CISIC.

Figure 2.5.1: Core Values description



2.6 Quality Policy Statement

The Corporation commits to:

- Provide innovative financial and advisory solutions to all our customers in a responsible, timely and responsive manner;
- Implement robust risk management practices that will secure and create value to all our stakeholders;
- Ensure adherence to applicable regulatory and statutory requirements;
- Ensure that all our policies and activities are environmentally and socially sustainable;
- Conform with quality management system requirements as outlined by ISO 9001.2015

Chapter Three:

Situational and Stakeholder Analysis

Overview

This chapter provides reviews, analyses and descriptions of the context in which KDC operates through use of known environmental scanning tools such as SWOT and PESTEL. It scopes on the past performance of the Corporation, mapping out the stakeholders, challenges and lessons learnt and their applications in successful implementation of the Strategic Plan.

3.1 Situational Analysis

Contextual analysis was carried out that brought to light insights for both negative and positive factors. The Corporation conscientiously reviewed its past performance in the implementation of the current Strategic Plan. In this process, key milestones, challenges, lessons and performance gaps were assessed. A further environmental scan was done to identify factors that interplay in the Corporation's operating environment and are likely to enable or inhibit its future achievements in the next strategic plan.

3.1.1 External Environment

An in-depth scanning of the external operational environment was undertaken by the Corporation in contexts of macro-environment, micro-environment, industry/competitive environment and market environment. The analysis brought to the fore opportunities and threats. The identified opportunities and threats informed appropriate strategic responses to be deployed by the Corporation.

3.1.1.1 Macro-Environment

The external operating environment of the Corporation is characterized by a number of developments. At the global level, the geo-politics continue to impact socio-economic activities, namely trade, transport and logistics, social exchange programs and priority in allocation of resources for development. The global impact of the protracted Russia-Ukraine and Gaza wars subsist thereby negatively impacting trade with the regions. By understanding and proactively responding to the influence of world politics, DFIs can better manage risks, capitalize on opportunities, and sustain its growth and competitiveness in the global market.

Economic growth involves trade between different countries, and this impacts consumer spending and market demand for products and services. Many countries such as the USA and China have raised tariffs on imports to protect domestic industries from foreign competition. Other countries have used non-tariff barriers, including import quotas, licensing requirements, and standards regulations to limit imports without directly altering tariff rates. While some barriers are rising due to protectionist policies and trade disputes, there are also efforts to reduce barriers within regional trade agreements and through multilateral negotiations. Understanding these trends is crucial for DFI, businesses and policymakers to navigate the evolving global trade environment. Other factors that influence performance of DFIs include fluctuating exchange rates, and international conflicts such as the Russian-Ukraine war and Gaza.

The prevailing macro-environment at national level presents mixed fortunes for the country. The economy is making a come-back after the COVID-19 pandemic and prolonged droughts two years ago. Many manufacturing industries were negatively impacted by the pandemic. On the other hand, the cost of domestic borrowing shot up in the past six months from an average of 9.0% for Treasury Bills to 16.0%. There is an upward trend in commercial banks' lending rates in the past half-year, from 13.5% to 18.0% while the inflation trend shows a decline from 7.9% in May 2023 to 5.1% in May 2024. There is a stable political environment and high commitment by the current government to turn around the national economy through the BETA programs. With the recovering economy, there is increased expectation of FDI flow in various forms: investors, venture capitalists, DFIs amongst others.

Economic growth involves trade between different countries, and this impacts consumer spending and market demand for products and services.

Agriculture

20%

OF GDP

40%

OF TOTAL POPULATION EMPLOYED

Agriculture sector plays a critical role in supporting many livelihoods and being the country's food basket. The sector contributes 20% of the GDP, and employs 40% of the total population and over 70% of the rural populace (Agriculture Sector Survey Report (2023). The trend shows a decline in agricultural growth from 2020 through to 2022. However, a change in trend was witnessed in the year 2023, with a growth rate of 6.5% in the sector. Kenya continues to adapt very fast to new trends in technology developments, and many commercial enterprises are leveraging these technological developments to improve their offerings in the service sectors of the economy. The impact of climate change is real in the country as demonstrated by torrential rains and floods witnessed within the last six months, its effect on agricultural production hence food security and livelihoods. The government is keen on pushing for climate resilience and carbon credit and a number of high-level initiatives have been outlined.

The government is also keen on tightening the fiscal space through consolidation of revenues and reducing budget deficits. Several Government Owned Enterprises (GOE) have been earmarked for either privatization or mergers. All strategic commercial GOE are expected to be financially stable and generate revenues to the exchequer.

The Corporation scanned the macro-environment denoting the positive factors (Opportunities) and negative factors (Threats), and summarized them under **Table 3.1.1** using the Political, Economic, Social, Environmental, Technological and Legal (PESTEL) tool.

3.1.1.2 Micro-Environment

The Finance Bill 2024 is pivotal for Kenya's fiscal policy and overall economic strategy. It shapes the government's approach to revenue generation, public expenditure, social welfare, and sustainable development. Its provisions directly affect the country's economic stability, growth prospects, and the well-being of its citizens. The long-term goal is to generate enough revenues and significantly reduce the budget deficits and reliance on external borrowing. Given the tight fiscal space, KDC being fully state-owned, may not benefit from additional capitalization by the National Treasury. However, there are several development partners that the Corporation has collaborated with before, and others that it may work with to mobilize both financial and technical resources for its smooth operation.

Kenya's labor market remains attractive to investors due to availability, affordability, agility, experience and technical-know-how. The enhanced internet penetration, new trends are developing in the labor market such as remote or flexible work arrangements, increased demand for skilled labor in sectors such as information technology, finance, engineering, and healthcare. There is a high rate of adoption of new technologies and digital transformation in Kenya, especially in services sectors, boosted by the high level of stable telecommunication and internet penetration in the country.

There is a favorable investment environment which is attractive to both local and foreign investors. Kenya is home to several commercial enterprises in various sectors. The Corporation taps its clients from the pool of local and foreign entrepreneurs with local projects that have potential to create a transformative socio-economic impact in Kenya. The BETA agenda is focused on high growth sectors namely **agriculture** (crop production, livestock and fisheries) **MSMEs** (trade & markets, financing,

business development support), **affordable housing** (PPPs & financing (developers), mortgages), **digital & creative economy** (infrastructure, platforms, skills, entrepreneurship), and health (primary healthcare, health insurance coverage, health systems capacity, health data systems). In alignment with the BETA agenda, the Corporation will focus its interventions mainly in these sectors.

3.1.1.3 Industry-Environment

Through use of various tools such as modified Porter's 5-Force Industry Analysis Model, the Corporation examined various change drivers and competitive forces in the development finance sector. The focus for this analysis was to obtain in-depth industry or market forces that may positively or negatively impact the Corporation's operations and successful implementation of the Strategic Plan. Key success factors for the industry include: sector-based investments, financial sustainability, technical support, leveraging on technology, partnerships and collaboration, and impact reporting. The analyzed forces included new entrants into the sector, supplier power, customer power, product substitutes and competitive rivalry. There are limited chances of new DFIs entering the market. However, there exists the possibilities of mergers of local DFIs owned by the Government. Supplier power does not demonstrate any threat to the Corporation. However, from the lending perspective, suppliers of credit have higher bargaining power in determining level of interest rate when lending to the Corporation.

The Corporation's terms of offer include lower interest rate and long tenors on debt, and availability of equity as an investment option. These terms are favorable to the customers compared with terms of offer by commercial banks and other players in the financial services industry. The threat of customers substituting products and services they get from the Corporation remains low due to its relatively competitive terms. In terms of competitive rivalry, there is generally high competition in the sector from Non- DFIs. However, the Corporation is able to outmatch its competitors due to its ability to absorb high risk projects and offer relatively favorable terms to the customers.
The Government strengthens the role and impact of the Corporation as key drivers of sustainable development, economic transformation, and inclusive growth across the country by creating an enabling policy environment that ensures alignment with national development goals and priorities; and facilitating access to finances from development partners.

3.1.1.4 Market Analysis

A comprehensive market analysis for the Corporation provides valuable insights for strategic decision-making, resource allocation, marketing strategies, product development, and competitive positioning in the marketplace. It helps the Corporation understand its market environment, identify growth opportunities, mitigate risks, and enhance its competitive advantage.

From the analysis, the Corporation's customers include: private companies in key sectors of focus seek various financial products (e.g. asset financing, working capital and project financing) and advisory services, new or existing enterprises in the priority sectors through equity investment, and financial institutions such as SACCOs

> **The Corporation taps its clients from the pool of local and foreign entrepreneurs with local projects that have potential to create a transformative socio-economic impact in Kenya.**

and microfinance institutions. These enterprises are provided with wholesale financing, credit lines, risk-sharing arrangements, and capacity building assistance to enhance access to finance. Other customers include infrastructure developers, construction companies, engineering firms, and project contractors who are financed to implement large-scale infrastructure projects such as roads, railways, energy facilities, water supply systems, healthcare facilities and waste management. In addition, foreign and domestic investors seeking joint investment opportunities in the country also make up the list of the Corporation's customer segments. The unique preference for these customers is substantial funding at low interest rates and longer repayment terms. Therefore, the Corporation is better placed to provide sector-based financing solutions that support sustainable developments and environmentally friendly projects (green financing). However, there is potential risk of project failure resulting in high levels of impaired assets. In addition, there is intense competition from other financial institutions, volatile inflation and high interest rates.

3.1.2 Summary of Opportunities and Threats

The Corporation analyzed available opportunities and threats in the external environment and their potential impacts on its operations using the Political, Economic, Social, Technological, Ecological and Legal (PESTEL) model. Detailed outcomes of the PESTEL analysis are captured in Tables 3.1.1.

3.1.3 Internal Environment

The Corporation conducted strengths and weakness analysis focusing on the governance and administrative structures, internal business processes, and resources and capabilities. This was necessary in order to obtain a clear understanding of the internal operating environment such as value chain activities, resource capabilities, skills, competencies, structural design and culture, governance and administrative structures.

3.1.3.1 Governance and administrative structures

The Corporation has a fully established governance structure, including a strong Board providing leadership and direction, and comprehensive internal policies and regulations. The Board consists of three committees: Audit and Risk, Finance and Investment, and HR, Governance, and General Purposes, all of which guide the Corporation's activities.

Despite the strengths, such as GOK ownership and a robust governance framework, several gaps were identified. These include deficiencies in core competencies, a non-cohesive organizational culture following a merger, and gaps in succession planning and management due to policies on recruitment freeze over the years.

3.1.3.2 Internal Business Processes

The Corporation also evaluated its systems, processes and standard operating procedures taking cognizance of areas of strength and weaknesses. This analysis helped identify cost areas, efficiency levels and operational challenges.

Table 3.1.1: Summary of Opportunities and Threats

FACTOR	OPPORTUNITY	THREATS
Political	• Kenya's political stability - builds investor confidence. • Government's development blueprints: MTP-IV and BETA position KDC as the lead agency in implementation of the socio-economic agenda.	• Government policies - changes in government policies and priorities that influence sectors for investment; • Geo-politics tensions - may influence unfavorable foreign policy.
Economic	• Improved inflation rate - provides positive direction for investors. • Growth in manufacturing - provides room for more investments to enhance contribution to GDP. • Growth in agriculture - opportunity for investments to enhance food security. • Public Private Partnerships (PPP) Act, 2019 - provides access to resources for development; • Growth in start-ups - funding opportunities. • Emerging sectors i.e. blue economy, creative arts - funding projects in emerging markets. • Privatization and mergers - opportunity for more funds for large-scale projects/ investments. • Development partners and private sector - access to funds.	• Fluctuation in interest rates - high rates impact cost of access to finances both for the Corporation and customers. • Fluctuating foreign exchange rates - increases cost of credit • Trade controls and barriers - limits investments. • Competition - reduced market penetration and influence. • International conflicts - limits access to imports and FDI. • Development partners' preferences - affects Corporation's investment areas. • Slowdown in global growth due to Russia-Ukraine conflict.
Social	• Labor - available skilled manpower. • Stakeholders - engagement for technical and financial support. • Social impact - investment in education, health, digital economy and infrastructure.	• Privatization and mergers - loss of jobs • Emergence of global shocks (conflicts, pandemics). • Youth unemployment - limited investment opportunities; • Brain-drain - leads to inadequate technical support for enterprises.
Technological	• Technological innovations - access to modern technology. • Advanced digital infrastructure -enhances the digital economy.	• Rapid technological changes. • Cyber threats and potential data breaches; • Emergence of misinformation and disinformation on social media platforms.
Environmental	• Green financing - investments to enhance climate resilience. • Increased investment areas on environmental matters e.g. blue economy, circular economy, e-mobility. • Access to green funds - resource mobilization.	• Climate change that negatively impacts projects. • Compliance requirements that increase investment costs.
Legal	• National policy reforms - provide a conducive environment for investment.	• Government directives that bear an impact on KDC's operations. • Restrictive laws slowing down divestiture. • Legislation/regulations affecting KDC e.g. CMA and Privatization Acts. • Litigations.
Micro factors	• Labor - available skilled manpower. • Customer profiles - commercial enterprises. • Creditors - available funds from development partners and private sector • Suppliers - available suppliers of products and services.	• Rapid changes in technology. • Shifts in consumer preferences, market demand, or industry trends. • Fluctuations in inflation rates, interest rates, and currency exchange rates.

FACTOR	OPPORTUNITY	THREATS
Industry environment	• Sector-based investment - create high socio-economic impact • Customers - they enjoy relatively lower interest rates compared to tier 1 banks. • Ability to review terms of offer by the Corporation. • Ability to take higher risks at lower costs compared to commercial banks and other non-DFIs.	• Entry of new DFIs in the market, • Suppliers of credit have higher bargaining power when lending to the Corporation. • Competition from other DFIs or commercial banks based on pricing and loan terms. • Industry is saturated, competition is high. • Similar financial products and services hence threat of competition. • Available alternative sources of financing.
Market Analysis	• Customers who require substantial funding. • Located in large urban centers including economic zones and industrial parks. • Customers who require low interest rates and longer repayment terms. • Sector-based needs and flexible repayment terms: *Post-harvest, health, hospitality, climate change, ICT, manufacturing, blue economy and climate change.* • Preference for financing solutions that support sustainable developments and environmentally friendly projects (green financing).	• Potential risk of failure resulting in high levels of impaired assets. • Intense competition from other financial institutions. • Volatile inflation and high interest rates can affect borrowing costs and loan repayment rates. • Global economic shocks that can impact operations. • Competition from other financial institutions.

3.1.3.3 Resources and Capabilities

The Corporation disaggregated and analyzed its resources into tangible, intangible and organizational capabilities. Review of assets, skills, capabilities and intangible values provided areas of strategic advantage to the Corporation, as well as challenges that required strategic interventions.

3.1.4 Summary of Strengths and Weaknesses

The Corporation has summarized its strengths and weaknesses based on the above-explained factors and positioned appropriate responses to pivot the strengths and reduce the effect of its weaknesses. This is summarized in Table 3.1.2.

3.1.5 Analysis of Past Performance

The Corporation analyzed its performance during implementation of KDC 1.0 Strategic Plan covering the period 2021-2023. Through the analysis, key milestones, challenges, gaps, lessons learnt and emerging trends were noted as discussed below.

> **"The Corporation analyzed available opportunities and threats in the external environment and their potential impacts on its operations using the Political, Economic, Social, Technological, Ecological and Legal (PESTEL) model"**

Table 3.1.2: Summary of Strengths and Weaknesses

FACTOR	STRENGTH	WEAKNESS
Governance and administrative structures	• Fully established Governance Structures. • Strong Board Leadership and Direction • Comprehensive Internal Policies and Regulations • GOK ownership	• Existing Gaps in Core Competencies • Organizational culture challenges as a result of the merger. • Gaps in succession planning and management.
Internal business process	• Rich history and investment track record. • Existence of an ERP system. • Existence of key operational policies and frameworks. • Ability to invest in socio-economic impact projects.	• ERP system not optimized. • Risk assessment gaps in undertaking due diligence before onboarding projects. • Inability to execute write-offs on delinquent or impaired facilities. • Long turn-around time (TAT) in credit processing and divestiture. • Inadequate innovative products – there is a need to get away from traditional debt and equity. • Relatively high PAR. • Weak impact assessment. • Weak management of customer relationships. • Passive business approach. • Limited integration of research across the operations.
Resources & capabilities	• Strong Balance Sheet creating room for investment; • ICT infrastructure; • Portfolio of tangible assets such as land and buildings. • Existing portfolio of successful projects. • Competent workforce. • Availability of investment mechanism.	• Unoptimized assets – some assets are not generating revenue as anticipated. • Inadequate financial resources for investments. • Limited brand visibility; • Limited research capacity. • Limited technical expertise in given areas.

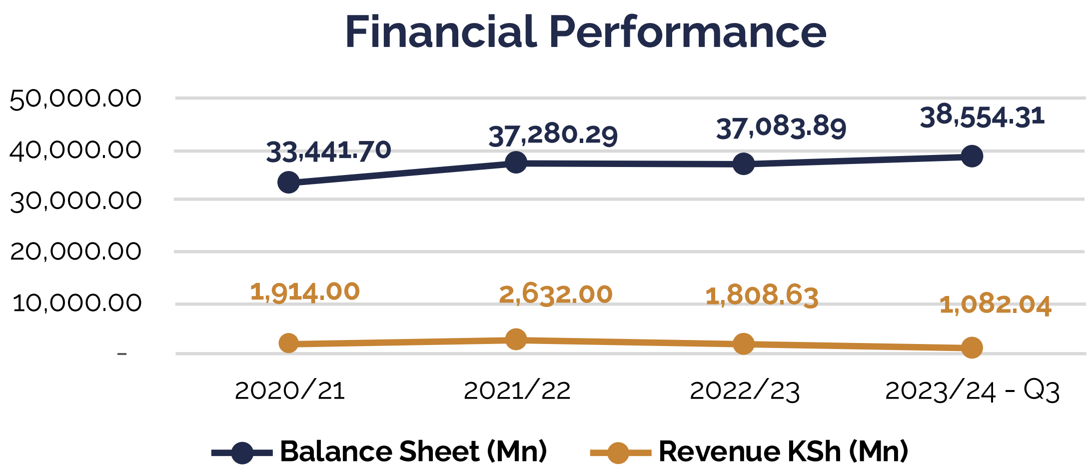
3.1.5.1 Key Milestones

The Corporation reviewed its past performance based on Key Result Areas under the KDC 1.0 Strategic Plan. The key milestones under each KRA have been summarized in the sub-sections below.

3.1.5.1.1 Financial Performance

The Corporation designed and rolled out new products relevant to the market in line with its mandate and developed and implemented liquidity management policy. The annual revenues for the Corporation are shown in **Fig 3.1.1.** The Corporation's balance sheet improved from KSh 33.44 billion in the financial year 2020/21 to KSh 38.55 billion in Q3-2023/24, representing 15.3% growth.

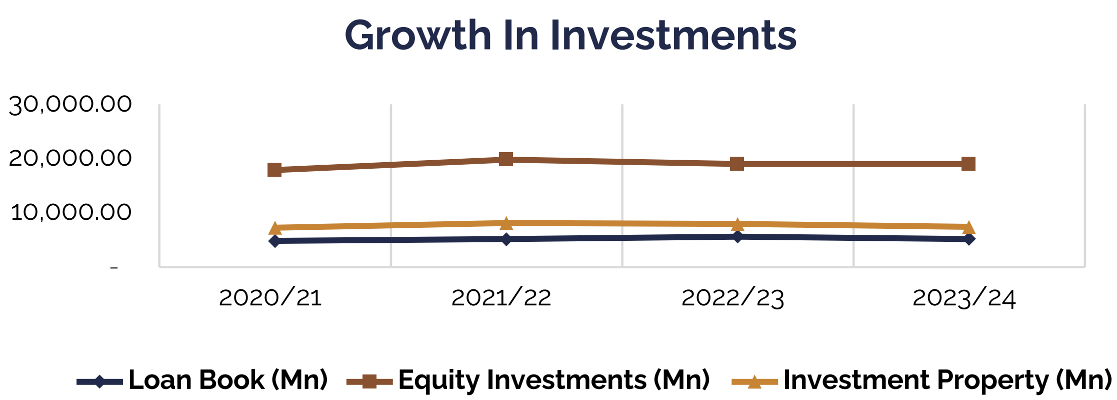
Figure 3.1.1: Balance sheet and revenue performance



The Corporation achieved growth in investments in key categories, namely debt financing, equity investments and investment property. The Corporation's loan book grew from KSh 4.85 billion in the year 2020/21 to KSh 5.22 in Q3-2023/24, representing 7.5% growth. Equity investments improved from KSh 17.89 billion in 2020/21 to KSh 18.96 in 2023/24, representing 6% growth. Investment property realized minimal growth at 2.2% between the year 2020/21 and 2023/24, moving from KSh 7.27 billion to KSh 7.43 billion. The performance is illustrated in **Fig 3.1.2.**

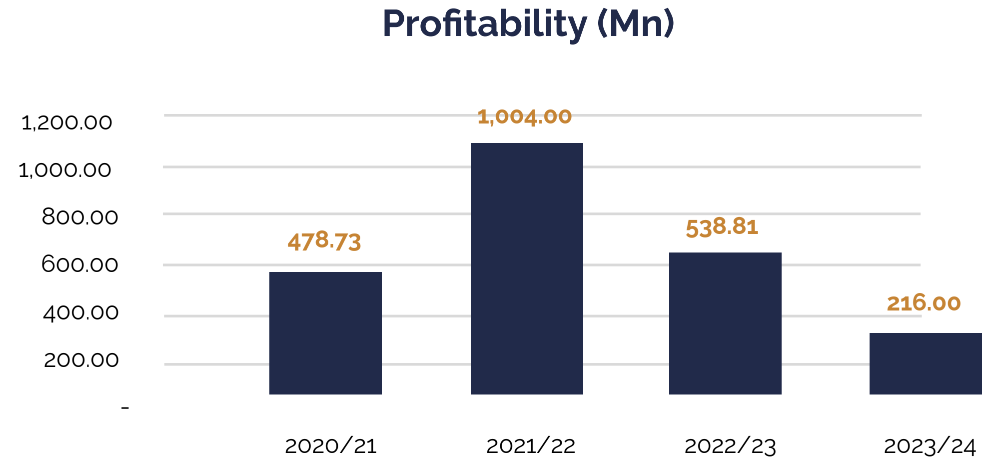
> "The Corporation's loan book grew from KSh 4.85 billion in the year 2020/21 to KSh 5.22 in Q3-2023/24, representing 7.5% growth."

Figure 3.1.2: Growth in assets



The Corporation's profitability equally achieved mixed growth curve, beginning with KSh 478.73 million in 2020/21, KSh 1.004 billion in 2021/22, KSh 538.81 million in 2022/23 and ending at KSh 216.0 million in Q3 of 2023/24 as illustrated in **Fig 3.1.3**

Figure 3.1.3: Profitability



The Corporation focused its interventions on eight key economic sectors and sub-sectors namely: post-harvest management in agriculture, health, energy, blue economy, manufacturing, tourism, ICT and climate resilience activities. The Corporation further deployed KSh 2.2 billion toward post-COVID-19 recovery in the tourism sector

The above interventions in addition to investments undertaken under the previous DFIs (pre-merger) continue to create a positive socio-economic impact in the country, resulting into Direct Domestic Investment (DDI) of KSh 170.6 billion, sustaining 85,117 jobs, KSh 358.2 billion worth of value added/facilitated, KSh 71.2 billion worth of taxes generated, 781,157 metric tons of fresh produce processed earning farmers KSh 2.3 billion, 261 students sponsored to school, KSh 23.2 million worth of support disbursed to schools, 31.4 million trees planted across the country, 2,900 women employed out of which 676 serve in management/leadership positions, 186 ICT platforms created providing services to 993,436 clients, 1 million tons of drugs dispensed to 27,000 patients and 171,727 people sensitized on drugs and HIV through 1,489 forums. The socio-economic impact of the Corporation's interventions is in line with its core mandate as a DFI, and is further illustrated in **Fig 3.1.4 and Table 3.1.3**

> **"The Corporation focused its interventions on eight key economic sectors and sub-sectors namely: post-harvest management in agriculture, health, energy, blue economy, manufacturing, tourism, ICT and climate resilience activities."**

Figure 3.1.4: Domestic direct investment

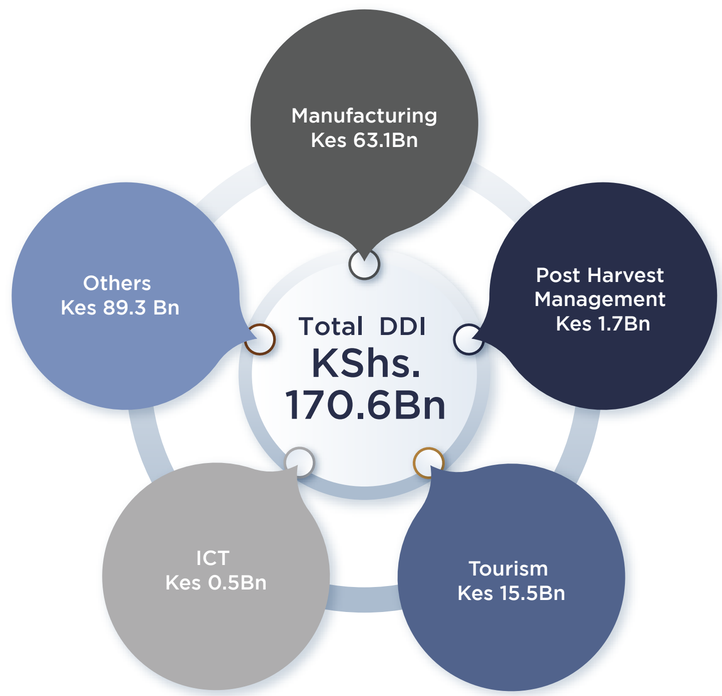


Table 3.1.3: Socio-economic impacts

KSh 358.2 billion worth of value added/facilitated

KSh 71.2 billion worth of taxes generated

85,115 Jobs created/sustained. (**19,210** in 2022/23) **KSh 181.1 million** remitted to NHIF and NSSF

USD 90.5 Mn injected into the economy (**USD 50.5Mn** worth of Export Earnings and **USD 40Mn** worth of FDI towards DRIVE project

781,157MT of fresh produce processed, earning farmers **KSh 2.3Bn**

261 students sponsored to school, **KSs 23.2Mn** worth of support disbursed to schools

31.4Mn Trees Planted across the Country

No significant impact on this space other than a few solar panels installed in some investee hotels

2,900 women employed out of which **676** serve in management/ leadership positions

186 ICT platforms created, providing services to **993,436** clients.

1Mn tonnes of drugs dispensed to **27,000** patients.

171,727 people sensitized on drugs and HIV through **1,489** forums

> Through the plan, the Corporation established partnerships with various local and international organizations, government ministries and agencies, and Development Partners including World Bank.

3.1.5.1.2 Capital stewardship

Under this KRA, the Corporation focused on managing the quality of its assets. Significant progress was made in reducing the Non-Performing Loans ratio (NPL ratio) consistently from 77% in the financial year 2020/21 to 52% in 2022/23.

Cost to income ratio increased from 62% in 2021/22, and to 71% in the third quarter of 2023/24.

Return on assets moved up from 1.73% in 2020/21 to 2.70% in 2021/22, and later dropped to 0.56% in the third quarter of 2023/24.

3.1.5.1.3 Operational excellence

The Corporation reviewed, developed and implemented key policies and operating procedures, brand and communication strategy and plan, and corporate governance charter and framework. All these documents provided guidelines to steer the Corporation's operations. In addition, an Enterprise Resource Management (ERM) system was implemented resulting in automation of critical processes within the Corporation. A framework for achievement of ISO certification was developed together with customer promise and customer satisfaction monitoring framework. The Corporation also implemented measures towards reducing litigation. Other milestones included development and implementation of annual risk-based audit plan and monitoring implementation of audit and risk management recommendations.

3.1.5.1.4 Partnerships Engagement

The Corporation developed a partnership engagement strategy and implementation plan which is currently under implementation. Through the plan, the Corporation established partnerships with various local and international organizations, government ministries and agencies, and Development Partners including World Bank. The partnerships and collaboration provided both financial and technical support to the Corporation, effectively contributing to realization of the Corporation's positive socio-economic transformation goal in the country. From the World bank through the National Treasury, the Corporation is implementing three high impact intervention projects worth KSh 17.9 billion. These projects include: SAFER, DRIVE, and KJET

3.1.5.1.5 Organizational Capability

The objectives under this KRA were focused on: attracting, developing, and retaining staff; developing a high-performance culture; and embracing research, creativity, and innovation culture. Various programs to develop employees and improve the organization culture were implemented. Office renovations were also undertaken so as to improve the work environment to make it conducive for performance. The Corporation further embraced research, creativity, and innovation culture through: alignment of research with the key activities and development and implementation of market-based research framework.

3.1.5.2 Challenges

The Corporation equally faced various challenges leading to implementation gaps in the Strategic Plan. The challenges have been captured in **Table 3.1.4.**

Table 3.1.4: Challenges faced

	CHALLENGES	HOW THE CHALLENGES CAN BE ADDRESSED IN THE NEW STRATEGIC PLAN
1.	Slow divesture process delaying the corporation exit strategy from mature investment and realization of divesture proceeds for redeployment in new investments	• Under the Privatization Act 2023, the divestiture process is envisaged to be faster. • KDC to engage NT to allow the Corporation retain privatization proceeds for reinvestment.
2.	Limited financial capacity for deployment in high-impact social economic projects due to Unrealized capitalization from The National Treasury & Planning (5Kshs 10B) at the merger stage	• The corporation to pursue the capitalization envisaged at the merger stage. • The NT to consider granting the Corporation guarantees to enable borrowing at concessional rates. • The National Treasury to facilitate acquisition of other special lines of credit for KDC.. • The NT to budget for an additional injection of funds to the Corporation.
3.	Administrative red tape resulting in slow decision-making	• Pursue review of regulatory policies that slow down the Corporation's operations. • Review internal policies and guidelines that slow down decision-making. • Streamline internal processes to fast-track decision-making.
4.	Limited awareness of the KDC brand resulted in low uptake of the Corporation's offerings	• Develop and implement KDC Brand Strategy.
5.	Absence of cohesive team culture	• Develop and implement culture transformation programs.
6.	High percentage of portfolio at risk.	• Improve project appraisal process. • Implement robust monitoring and evaluation of projects. • Adopt risk-based pricing. • Capacity building of the staff and collaboration with partners to provide technical support.
7.	Unattractive balance sheet for effective resource mobilization	• Pursue write-off of legacy loans; • Pursue the National Treasury to structure the Corporation's balance sheet.
8.	Partial automation	• Upgrade the ERP and ensure full utilization.
9.	Unclear business model	• Develop and implement a business model.
10.	Collateral-based funding	• Restructure product offering. • Consider alternative ways of securing facilities.
11.	Low socio-economic impact visibility	• Develop metrics and measure the socio-economic impact created by the Corporation. • Target investments to the areas/sectors with greatest socio-economic impact.
12.	Lack of robust succession management.	• Develop and implement a succession plan.

3.1.5.3 Lessons learnt

During the implementation of the KDC 1.0 Strategic Plan, several key lessons were learned that are crucial for the Corporation's future success. One fundamental takeaway was the importance of making realistic assumptions during the development of strategic plans. By grounding projections and targets in realistic assessments of resources and capabilities, KDC can ensure that its goals are achievable and sustainable over the long term. This approach enhances strategic clarity and fosters confidence among stakeholders in the Corporation's ability to deliver on its commitments. For instance, the Corporation projected to disburse approximately kshs 25B in KDC 1.0, but ended up disbursing approximately Kshs 4B by the end of the planning period

> **The Strategic Plan emphasized the need for KDC to leverage technological advancements to streamline operations, enhance service delivery, and improve decision-making processes having inherited three different technology platforms from the Merged DFIs**

KDC's culture transformation was one of the key objectives following the merger. However, this is work in progress and several lessons have been learned that will help in achieving a unified culture. Consistency and effective communication emerged as pivotal factors in achieving culture transformation. The Strategic Plan underscored the necessity of aligning communication efforts with organizational goals to foster a unified culture and shared vision. Clear and consistent messaging helps build trust, encourages employee engagement, and strengthens commitment to strategic objectives across all levels of the organization.

The Strategic Plan emphasized the need for KDC to leverage technological advancements to streamline operations, enhance service delivery, and improve decision-making processes having inherited three different technology platforms from the Merged DFIs. Embracing technology and automating processes were therefore identified as critical enablers of efficiency and effectiveness. Automation not only reduces operational costs but also frees up resources that can be redirected toward strategic priorities and innovation initiatives. Low IT utilization and partial automation, led to the non-realization of this objective.

Furthermore, the Strategic Plan highlighted the imperative of linking strategy, research, investment, and partnerships. By integrating these elements, the Corporation can leverage on insights from research to inform strategic decisions, attract investment in priority sectors with significant socio-economic impact, and foster collaborative partnerships that amplify the Corporation's development efforts. This holistic approach ensures that the Corporation remains agile and responsive to the evolving needs of its operational environment, thereby enhancing its overall impact and sustainability. During the implementation of KDC 1.0, it was noted that the above departments did not leverage the strengths of each other to maximize on the realization of the KDC mandate.

In summary, these lessons underscore the importance of strategic foresight, effective communication, technological innovation, integrated planning, and continuous improvement in KDC's journey toward achieving its mission and vision. By applying these insights, KDC is better positioned to navigate challenges, capitalize on opportunities, and deliver meaningful socio-economic benefits to Kenya.

3.2 Stakeholder Analysis

The Corporation undertook a comprehensive mapping of the stakeholders. The analysis outlined the stakeholders' expectations and the Corporation's expectations from the stakeholders as captured in **Table 3.2.1.**

Table 3.2.1: Stakeholder Analysis

STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	EXPECTATIONS OF KDC
The National Treasury	• To provide fiscal policy that promotes investment in the country. • Key shareholder of the Corporation	• Strategic leadership and prudent utilization of resources; • Return on investment; • Positive impact in line with the Corporation's mandate; • Timely and accurate reports; • Compliance with PFMA, 2011 and other relevant laws and regulations;	• Allocation and timely release of adequate capital; • Support in resource mobilization. • Enact supportive legislations; • Approve budget and other financial requests;
MITI	• Provide policy direction and oversight.	• Strategic leadership and prudent utilization of resources; • Successful implementation of mandate; • Timely and accurate reports; • Compliance with the law, policies and regulations.	• Supportive policies; • Approval of investment proposals; • Partnership and collaboration. • Timely approval of requests.
Board	• Ensure effective governance, risk management, financial stewardship and strategic direction.	• Accountability • Implementation of policies and Board decisions.	• Supportive policies and strategic direction; • Budget and loans approval.
Investors	• Undertaking direct or indirect investments.	• Strategic leadership and prudent utilization of resources; • Return on investment; • Timely and accurate reports;	• Capitalization • Undertaking research to inform areas for joint investments.
Media	• Information gathering and dissemination.	• Accurate information delivered in a timely manner • Access to information	• Accurate and objective coverage
Customers	• Consume KDC products and services.	• Timely disbursement of funds; • Timely provision of advisory services. • Good customer experience.	• Adherence to stated application requirement; • Transparency; • Timely payment of various obligations; • Timely observance of the reporting requirement.
Government agencies	• Perform mandates as per the establishing statutes.	• Compliance to regulations and policies; • Timely provision of information when requested or as due; • Involvement when undertaking activities directly involving an agency; • Contributing to various policy documents.	• Collaboration and networking.
Tenants	• Occupy properties on lease arrangements.	• Compliance with tenancy agreement. • Repair and maintenance of buildings; • Adequate security; • Timely payment of service charge utilities	• Compliance with tenancy agreement

STAKEHOLDER	ROLE	STAKEHOLDER EXPECTATIONS	EXPECTATIONS OF KDC
County Governments	• To participate in attraction and promotion of investments in counties.	• Technical support to counties for investment. • Partnership and collaboration to promote investment.	• Provide a conducive environment for investments in counties.
AADFI	• Strengthening capacity of DFIs, • Promoting sustainable development • Enhancing financial inclusion across the continent.	• Compliance with professional standards. • Collaboration and networking. • Self-assessment and reporting.	• Capacity building • Collaboration and networking.
Strategic Partners	• Provide financial and technical support.	• Partnership in investments.	• Financial and technical support.
Suppliers	• Provision of goods and services.	• Timely payment for goods and services; • Compliance with procurement guidelines.	• Compliance with procurement guidelines • Prompt delivery of quality goods and services;
Staff	• Implement Corporation's mandate.	• Competitive remuneration. • Conducive working environment;	• Effective and efficient performance.

Chapter Four:

Strategic Issues, Goals and Key Result Areas

Overview

This chapter outlines Strategic Issues, Goals and Key Result Areas identified by the Corporation as critical in successful implementation of its mandate and function in order to catalyze economic growth and development and realize positive socio-economic impact in the country.

4.1 Strategic Issues

The situational and stakeholder analyses provided insights into fundamental challenges and opportunities that the Corporation should address towards implementing its mandate and positive contribution to the national development goals as espoused in Kenya Vision 2030, MTP-IV, the BETA, and the Constitution of Kenya 2010, and other policy and legal instruments that govern its operations. These issues also broadly relate with the regional and global challenges identified under EAC Vision 2050, AU Agenda 2063 and SDGs. At national level, challenges and opportunities included food insecurity in the country given that 80% of Kenyan agriculture depended on rainfall, bulging youth population and few employment opportunities, macro-economic shocks attributable to pandemics, and geo-political conflicts, inflation pressures among others. On the converse, high penetration of affordable internet access in Kenya presents good opportunity to spur growth in digital economy and creating arts.

The Corporation contextualized these issues into specific sectors or areas, allowing for clarity in designing appropriate strategic interventions. The strategic issues that the Corporation will focus on include:

1. Post-harvest loss is a significant issue in Kenyan agriculture, affecting both the quantity and quality of produce available for consumption and sale. These losses occur at various stages from harvesting, marketing to agro-processing, and has economic implications for farmers, entrepreneurs, consumers, and the overall economy. Postharvest loss bears direct impact on food security because decreased availability of food, contribute to hunger and malnutrition. According to APHLIS, post-harvest losses in cereals in Kenya ranges between 12% to 17%. However, when issues such as aflatoxin and stock borer are considered, the loss increases to 40%.
2. Declining contribution to GDP by manufacturing sector in Kenya. In 2016, manufacturing sector was contributing 9.3% to the GDP. This proportion diminished to 7.2% by 2021 according to KNBS, 2022. Manufacturing sector has high potential in creating jobs and ripple effect in other sectors such as agriculture and services.
3. Untapped economic potential in the service sectors that is capable of making significant contribution to the Kenya economy and job creation. With high level of internet penetration and digital technology, there is high potential, leveraging on digital space, to improve service sectors and develop new services and create jobs especially for the youth.
4. Inadequate leveraging of strategic partnerships, collaborations and networks to enhance KDC's interventions in high socio-economic impact areas. The Corporation is well placed to build local, regional and global partnerships and networks that can positively contribute to Kenya's socio-economic transformation through direct or indirect financial and technical interventions.
5. Limited financial resources to meet investment demand, unoptimized organizational capacity and operational efficiency to effectively realize the Corporation's mandate. For the Corporation to effectively contribute in addressing the forestated core issues, it must enhance its internal capacity in terms of financial resilience, business processes and human capital and governance.

4.2 Strategic Goals

The Corporation is aligned to its mandate and purpose. It therefore developed clarity on the High Impact Strategic Goals that should be aimed at while addressing the aforementioned strategic issues. In summary, the High Impact Goals are in conformity with the government's agenda, and concurrence with SDGs, EAC Vision 2050 and AU Agenda 2063. Furthermore, these goals speak to the very essence of the Corporation's being. Each goal will be pursued through financial and non-financial interventions in specific sectors, while also addressing the cross-cutting issues such as climate change, SMEs, women and youth empowerment to realize socio-economic transformation. These goals include:

1. Attaining food security in Kenya through elimination of post-harvest losses.
2. Spurring economic growth through industrialization.
3. Increased level of economic contribution from the service sectors.
4. Enhanced positive socio-economic impact.
5. Building a sustainable organization.

4.3 Key Result Areas

Three broad key result areas have been identified by the Corporation, and strategic objectives developed in each of the KRA. The Key Result Areas include:

1. Maximizing impactful development interventions;
2. Strategic partnerships, collaborations and networks; and
3. Institutional capacity.

4.3.1 Maximizing impactful development interventions

This area represents the core mandate and purpose of the Corporation. All interventions through deployment of debt, equity, or non-financial investment by the Corporation is expected to catalyze and promote sustainable economic development, and realize positive socio-economic transformation for the Kenyan citizens. In this context, the Corporation has identified the following areas as critical in creating the desired socio-economic impact:

- **Post-harvest loss management;**
  - *Agro-processing;*
  - *Cold storage and logistics;*
  - *Value-added agri-business;*
  - *Blue-Economy.*
- **Manufacturing;**
- **Service sector:**
  - *Hospitality*
  - *Health*
  - *ICT*
  - *Digital and creative economy*
- **Cross-cutting issues:**
  - *Climate change - (renewable energy, energy efficiency, waste management and circular economy)*
  - *SMEs, women and youth empowerment;*
  - *Special interventions in other sectors.*
- **Enablers: Infrastructure**

The Corporation shall drive the desired impact through, firstly, financial interventions worth Ksh 25B in the selected sectors, and a further Ksh 25B in cross-cutting issues and enablers, and secondly through non-financial interventions in areas of project preparation for viability and bankability and business support to promote sustainability of funded enterprises. The created impact will be evaluated based on the following parameters:

- *Sustained jobs and new jobs created;*
- *Quantifiable reduction of imports;*
- *Exports generated;*
- *GDP contribution;*
- *Alignment to relevant SDGs and ESG;*
- *Forex earning, taxes, duties and levies paid to the government;*
- *Impact created through funding social infrastructure;*
- *Direct domestic investments generated;*
- *Mainstreamed enterprise led by persons with disability, women and youth*

"Through the plan, the Corporation established partnerships with various local and international organizations, government ministries and agencies, and Development Partners including World Bank."

2024 AADFI Annual General Meeting

A Practicle Roadmap for African DFIs to Access Green Funds

4.3.2 Strategic partnerships, collaborations and networks

Technical and financial support from partners to the Corporation will be invaluable while pursuing the envisaged strategic goals. The Corporation shall leverage on partnerships and networks with local, regional and international organizations in areas of applied research, technology, capacity building in facilitating the implementation of development interventions. The value proposition to these partners is to leverage on the Corporation's capacity in providing administrative support, implementation and management of the partners' funds in selected development areas to achieve common objectives.

4.3.3 Institutional capacity

The relevance of the Corporation is anchored on effective discharge of its mandate, living its purpose and attaining the desired High Impact Strategic Goals. This calls for enhancing the institutional capacity.

Table 4.3.1: Strategic Issues, Goals and KRAs

	STRATEGIC ISSUES	STRATEGIC GOALS	KEY RESULT AREAS
1.	Post-harvest loss	Attaining food security through elimination of post-harvest losses.	Maximizing impactful development interventions;
2.	Declining contribution to GDP by manufacturing sector in Kenya;	Spurring economic growth through industrialization.	
3.	Untapped economic potential in the service sectors and that is capable of making significant contribution to the Kenya economy and job creation;	Increased level of economic contribution from the service sectors.	
4.	Inadequate leveraging of strategic partnerships, collaborations and networks to enhance KDC's interventions in high socio-economic impact areas.	Enhanced positive socio-economic impact.	Strategic partnerships, collaborations and networks;
5.	Limited financial resources to meet investment demand, unoptimized organizational capacity and operational efficiency to effectively realize the Corporation's mandate.	A sustainable organization.	Institutional capacity.

The Corporation shall drive results in these area by:

- Enhancing its financial stability and resilience;
- Implementing digital transformations and adopting data-driven decision-making approach in all its operations;
- Enhancing internal operational efficiency in order to drive excellent customer experience;
- Promoting effective communication and brand visibility;
- Mainstreaming research in its operations and institutionalizing innovation;
- Enhancing human capital competencies and succession management; and
- Strengthening governance, risk and internal controls.

The Corporation's strategic map is summarized in **Table 4.3.1** and **Fig 4.3.1**

Figure 4.3.1: KDC Strategy Map

Mandate

To promote sustainable economic development by providing development finance, appropriate infrastructure, business support and advisory services to medium and large-scale industries and commercial undertakings in target sectors in Kenya and elsewhere.

Purpose

Transforming Kenya's socio-economic landscape

Vision

A globally competitive development finance partner

Mission

To provide financial and technical support to medium and large-scale enterprises for sustainable socio-economic development

Brand Promise

Creating sustainable growth

Core Values

Customer-centric, Integrity, Sustainability, Inclusivity, Collaboration

Strategic Goals

1. Attaining food security in Kenya through elimination of post-harvest losses.
2. Spurring economic growth through industrialization.
3. Increased level of economic contribution from the service sectors.
4. Enhanced sustainability of KDC's financial and technical interventions to achieve desired socio-economic impact.
5. Building a sustainable organization

Key Result Areas

1. Maximizing impactful development interventions
2. Strategic partnerships, collaborations and networks
3. Institutional capacity

Strategic Objectives

1.

To increase Investment in High Impact Sectors by kshs 25B to spur national socio-economic growth.

To increase Investments in special purpose projects by kshs 25B for equitable economic growth

To promote sustainability of funded enterprises through project preparation and business advisory

To report on Corporation's socio-economic impact.

2.

To mobilize financial resources towards interventions in sectors with high socio- economic impact

To enhance strategic collaborations in technical areas and knowledge transfer

To effectively contribute in national economic policy direction

3.

To strengthen Corporation's financial sustainability

To enhance internal operational efficiency in order to achieve excellent customer experience

To promote effective communication and brand visibility

To mainstream research and institutionalize innovation

To implement digital transformations and adopt a data-driven decision-making approach.

To attract and retain productive human capital

To enhance governance, risk and internal controls

Chapter Five:

Strategic Objectives and Strategies

Overview

This chapter outlines strategic objectives that the Corporation shall pursue and appropriate strategic choices for realization of the objectives.

5.1 Strategic Objectives

The Corporation shall pursue the following **fourteen (14)** strategic objectives. These objectives have been formulated within the framework of the sustainable Balanced Score Card (BSC), so as to speak to the expected outcomes in various BSC perspectives. The six BSC perspectives are: financial performance, internal business processes, learning and growth, customers and stakeholders, social justice and environmental performance. The objectives are aligned to each KRA as captured in **Fig 5.1.1.** For each objective, outcome projections for the Strategic Plan implementation period has been provided in **Table 5.1.1**

> **"The six BSC perspectives are: financial performance, internal business processes, learning and growth, customers and stakeholders, social justice and environmental performance."**

The six BSC perspectives are: financial performance, internal business processes, learning and growth, customers and stakeholders, social justice and environmental performance.

Figure 5.1.1: Strategic Objectives

KRA 1
Maximizing impactful development interventions

- **SO1:** To increase Investment in High Impact Sectors by **Kshs 25B** to spur national socio-economic growth.
- **SO2:** To increase Investments in special purpose projects by **Kshs 25B** for equitable economic growth
- **SO3:** To promote sustainability of funded enterprises through project preparation and business advisory.
- **SO4:** To report on Corporation's socio-economic impact

KRA 2
Strategic partnerships, collaborations and networks

- **SO1:** To mobilize financial resources towards interventions in sectors with high socio- economic impact
- **SO2:** To enhance strategic collaborations in technical areas and knowledge transfer
- **SO3:** To effectively contribute in national economic policy direction.

KRA 3
Institutional capacity.

- **SO1:** To strengthen Corporation's financial sustainability;
- **SO2:** To enhance internal operational efficiency in order to achieve excellent customer experience
- **SO3:** To promote effective communication and brand visibility
- **SO4:** To mainstream research and institutionalize innovation
- **SO5:** To implement digital transformations and adopt a data-driven decision-making approach.
- **SO6:** To attract and retain productive human capital.
- **SO7:** To enhance governance, risk and internal controls

Table 5.1.1: Outcomes Annual Projections

SN	Strategic Objective	Outcome	Outcome indicator	Projections				
				FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
	KRA 1: Maximizing impactful development interventions							
SO1	To increase Investment in High Impact Sectors by kshs 25B to spur national socio-economic growth.	Investment in high Impact Sectors Increased	Amount invested in high-impact sectors	2.30 B	4.43 B	5.28 B	5.97 B	7.03 B
SO2	To increase Investments in special purpose projects by kshs 25B for equitable economic growth	Investment in special projects Increased	Amount invested in special projects	5.00 B	9.70 B	2.29 B	3.00 B	5.00 B
SO3	To promote the sustainability of funded enterprises through project preparation and business advisory.	Sustained enterprises	% of new & existing enterprises sustained	85%	85%	85%	85%	85%
SO4	To report on the Corporation's socioeconomic impact	Effective interventions	No. jobs created and sustained	21,593	37,047	15,223	18,637	26,214
			Contribution to GDP in Kshs	2.96 B	5.08 B	2.09 B	2.56 B	3.59B
			Trees planted	0.5 M	0.5 M	0.5 M	0.5 M	0.5 M
	KRA 2: Strategic partnerships, collaborations and networks							
SO1	To mobilize financial resources towards interventions in sectors with high socio-economic impact	Funds mobilized and deployed	Amount of mobilized in Kshs		7.78B	7.78B		
SO2	To enhance strategic collaborations in technical areas and knowledge transfer	MoUs implemented	Level of implementation	100%	100%	100%	100%	100%

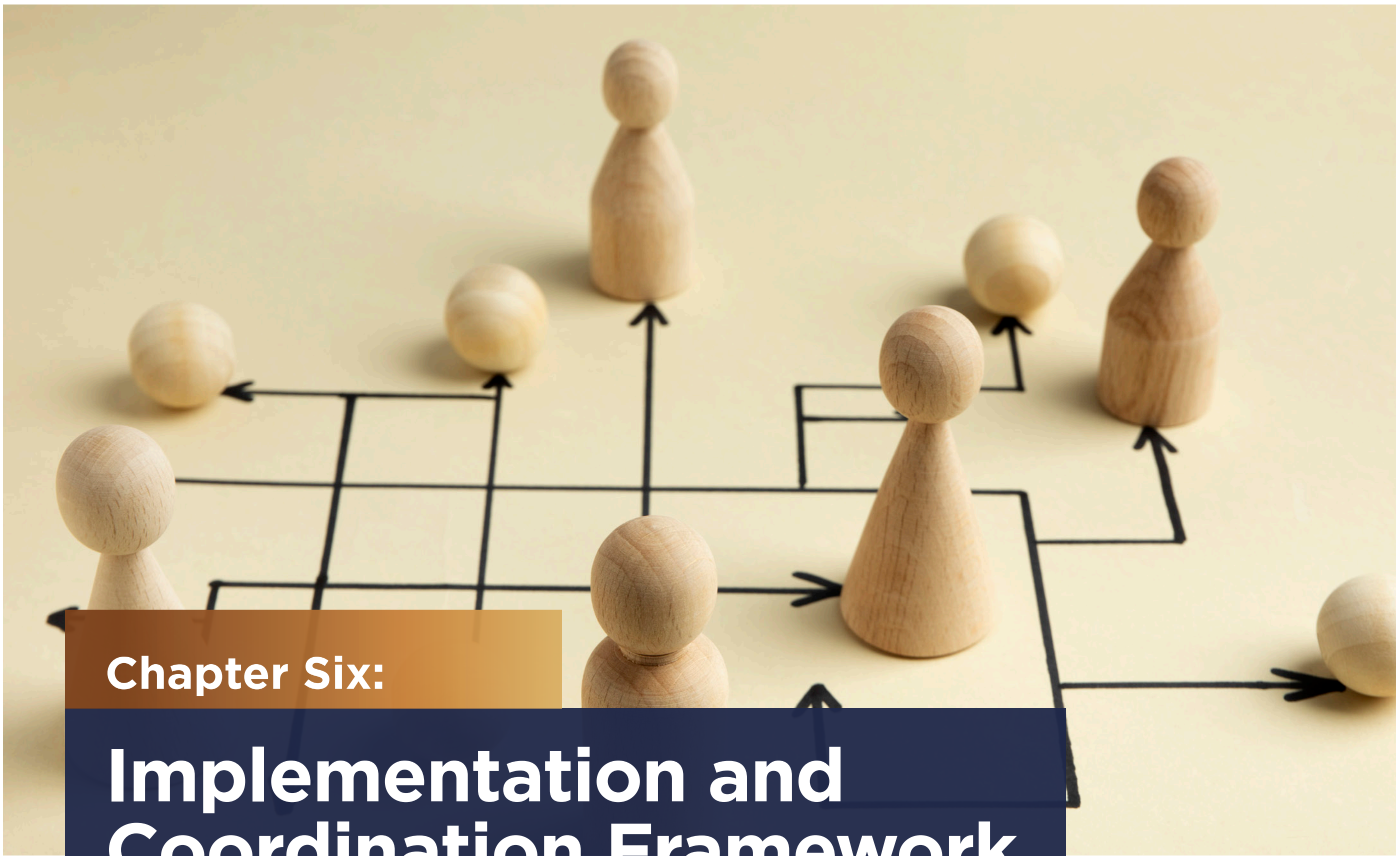
SN	Strategic Objective	Outcome	Outcome indicator	Projections				
				FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
	KRA 3: Strengthen Institutional Capacity							
SO1	To strengthen the Corporation's financial sustainability;	Financially Sustainable organization	Amount of revenue realized in Kshs	2.923 B	2.974 B	3.102 B	2.328 B	3.611 B
			% income collected	90%	90%	90%	90%	90%
			% of PAR	45%	35%	25%	15%	15%
			Cost-to-income ratio					50%
SO2	To enhance internal operational efficiency for excellent customer experience	Internal Operational Efficiency Achieved	Level of implementation of BPR	100%	100%			
			Customer Satisfaction Index Rating	Baseline		85%		90%
SO3	To promote effective communication and brand visibility	Communication and brand visibility improved.	CRM Level of Implementation	100%				
			Brand Equity Index Rating	Baseline.	30%	60%	90%	100%
SO4	To mainstream research and institutionalize innovation	Research and innovation mainstreamed and institutionalized	The number of researches undertaken annually	4	4	4	4	4
			The number of Innovations Implemented Annually	1	1	1	1	1
SO5	To automate the corporation's key processes.	The corporation's key processes automated	% of automated key processes	100%	100%	100%	100%	100%
			Level of implementation data analytics	100%	100%	100%	100%	100%
SO6	To attract and retain productive human capital	Adequate establishments and Competent staff	Employee Engagement index	Baseline		80%		85%
			Productivity Index	Good	Good	V. Good	V. Good	V. Good
			Work Environment Satisfaction index	Baseline		80%		85%
			Level of implementation of training plan	100%	100%	100%	100%	100%
SO7	To enhance governance, risk, and internal controls	Governance, risk, and internal controls enhanced	Corporate governance evaluation reports	1	1	1	1	1
			SSCI Certification	1				
			Level of implementation of audit processes	100%	100%	100%	100%	100%
			Audit Rating	Good	Good	Good	Good	Good

5.2 Strategic Choices

KDC has formulated the following strategies to actualize the strategic objectives as summarized in **Table 5.2.1**

Table 5.2.1: Strategic Objectives and Strategies

KRAs	STRATEGIC OBJECTIVES	STRATEGIES
1. Maximizing impactful development interventions	1.1 To increase Investment in High Impact Sectors by kshs 25B to spur national socio-economic growth.	1.1.1 Undertake high-impact equity projects in areas of focus. 1.1.2 Product innovation and improvement. 1.1.3 Strategic deployment of debt investments to high-impact areas.
	1.2 To increase Investments in special purpose projects by kshs 25B for equitable economic growth	1.2.1 Comprehensive approach for managing and implementing special projects.
	1.3 To promote the sustainability of funded enterprises through project preparation and business advisory.	1.3.1 Provision of comprehensive and tailored advisory services in chosen sectors.
	1.4 To report on the Corporation's socio-economic impact.	1.4.1 Socio-economic Impact Reporting.
2. Strategic partnerships, collaborations and networks	1.1 To mobilize financial resources towards interventions in sectors with high socio-economic impact	1.1.1 Sector-focused resource mobilization. 1.1.2 Capital Restructuring.
	1.2 To enhance strategic collaborations in technical areas and knowledge transfer	1.2.1 Enhancing strategic significance through partnerships.
	1.3 To effectively contribute to national economic policy direction	1.3.1 Position the Corporation as an investment arm of the Government.
3. Strengthening Institutional Capacity	1.1 To strengthen the Corporation's financial sustainability;	3.1.1 Diversification and growth of annual revenue (from2.0 B to 3.61 B by 2028/29). 3.1.2 Effective realization of all income. 3.1.3 Maintaining quality asset portfolio. 3.1.4 Optimization of costs to revenue ratio (from 71% to 50% by 2028/29)
	1.2 To enhance internal operational efficiency to achieve excellent customer experience	3.2.1 Optimization of internal business processes. 3.2.2 Effective management of legal risk exposure. 3.2.3 Improve customer satisfaction rating.
	1.3 To promote effective communication and brand visibility	3.3.1 Enhancement of Stakeholder Engagements and Satisfaction. 3.3.2 Enhancement of brand awareness/equity.
	1.4 To mainstream research and institutionalize innovation	3.4.1 Enhance utilization of research and innovation.
	1.5 To implement digital transformations and adopt a data-driven decision-making approach	3.5.1 Optimize, integrate, and leverage information and technology solutions and competencies.
	1.6 To attract and retain productive human capital	3.6.1 Strengthening human capital management and experience. 3.6.2 Effective succession planning. 3.6.3 Strengthened human resource capabilities.
	1.7 To enhance governance, risk, and internal controls	3.7.1 Implementation of good corporate governance practices. 3.7.2 Strengthening regulatory and policy compliance, and maintaining relevant certifications. 3.7.3 Integrate risk management practices into all Corporation's operations. 3.7.4 Strengthening internal audit and assurance.



Chapter Six:

Implementation and Coordination Framework

Overview

This chapter describes the implementation framework for the Strategic Plan. It spells out the manner and context of implementation, staffing requirements, leadership, systems and procedures as well as the corporate risk framework.

6.1 Implementation Plan

The framework for operationalization of the KDC Strategic Plan will entail detailed Action Plan represented by Implementation Matrix **(Appendix I).** The implementation plan is translated into Annual Work Plans (AWPs) and budgets. The AWPs will form the basis of performance contracting that will involve all employees from top management to the lowest level.

6.1.1 Action Plan

The Corporation shall follow detailed Action Plan which comprises the strategic issues, strategic goals, key result areas, outcomes, strategic objectives, strategies, activities, expected output, output indicators, annual targets, annual budgets and the responsible function for execution of the activities. The Action Plan is captured as Implementation Matrix under Appendix I.

6.1.2 Annual Work Plan and Budget

Every financial year, the Corporation shall extract annual activities and targets from the Action Plan at corporate level. This will inform the Annual Work Plan and budget which will then be cascaded accordingly for each functional area. Preparation of the AWPs and Budget will begin few months to the expiry of each financial year, for implementation at the beginning of the following financial year.

6.1.3 Performance Contracting

In compliance with the Public Service Commission Performance Management Regulations, 2021, the Corporation shall undertake performance contracting based on the AWP for each respective year. This will be done across the Corporation to ensure all staff execute performance contract at the beginning of each and every financial year. The Human Resource Management Department shall issue guidelines and timelines for performance contracting, and ensure there is quality and consistency across the organization for all the performance contracts. The Corporation shall undertake quarterly and mid-year individual performance reviews with a final end of financial year objective performance appraisal for the entire organization.

6.2 Coordination Framework

6.2.1 Institutional Framework

The Corporation shall ensure availability of various internal policies, frameworks, rules and regulations to support successful implementation of the Strategic Plan (2024-2028). Further internal review of the adequacy and appropriateness of the existing internal frameworks and policies will be undertaken to ensure they are aligned with the KDC Strategic Plan (2024-2028). Among the frameworks and policies to be reviewed, developed or implemented are:

a) Develop Joint Venture Framework and Policy;
b) Develop Partnership Engagement Framework and implementation plan;
c) Develop Government Collaboration Framework and its implementation plan;
d) Implement Stakeholder Engagement and Communication Policy;
e) Develop Internal Innovation Framework;
f) Review succession planning;
g) Review performance management framework;
h) Review Risk Management Policy Framework;
i) Knowledge Management Framework;
j) ICT Policy;
k) Develop and implement culture change framework; and
l) Implement reviewed organizational structure.
m) Undertake BPR.

"The Corporation shall ensure availability of various internal policies, frameworks, rules and regulations to support successful implementation of the Strategic Plan (2024-2028)."

The Corporation's governance structure is composed of the Board of Directors at the top who is responsible for strategic leadership and policy formulation. The Board of Directors is responsible to the Cabinet Secretary for Ministry of Trade and Industry (MITI). The Board is led by the Chairman, who is appointed by the President of the Republic of Kenya. The Board has three (3) functional committees who oversight on various functional areas of the Corporation. The three Board committees are:

1. Audit and Risk Committee;
2. Finance and Investment Committee; and
3. HR, Governance and General-Purposes Committee.

The directives of the Board are implemented by the Management Team who are in charge of the day-to-day operations of the Corporation. The Management Team is led by the Director General (DG), who is the Chief Executive Officer (CEO) of the Corporation. The DG is the chief accounting officer of the Corporation, and is responsible for the overall management of the Corporation. The Management Team has two committees namely: The Executive Committee (EC) and the Leadership Team (LT).

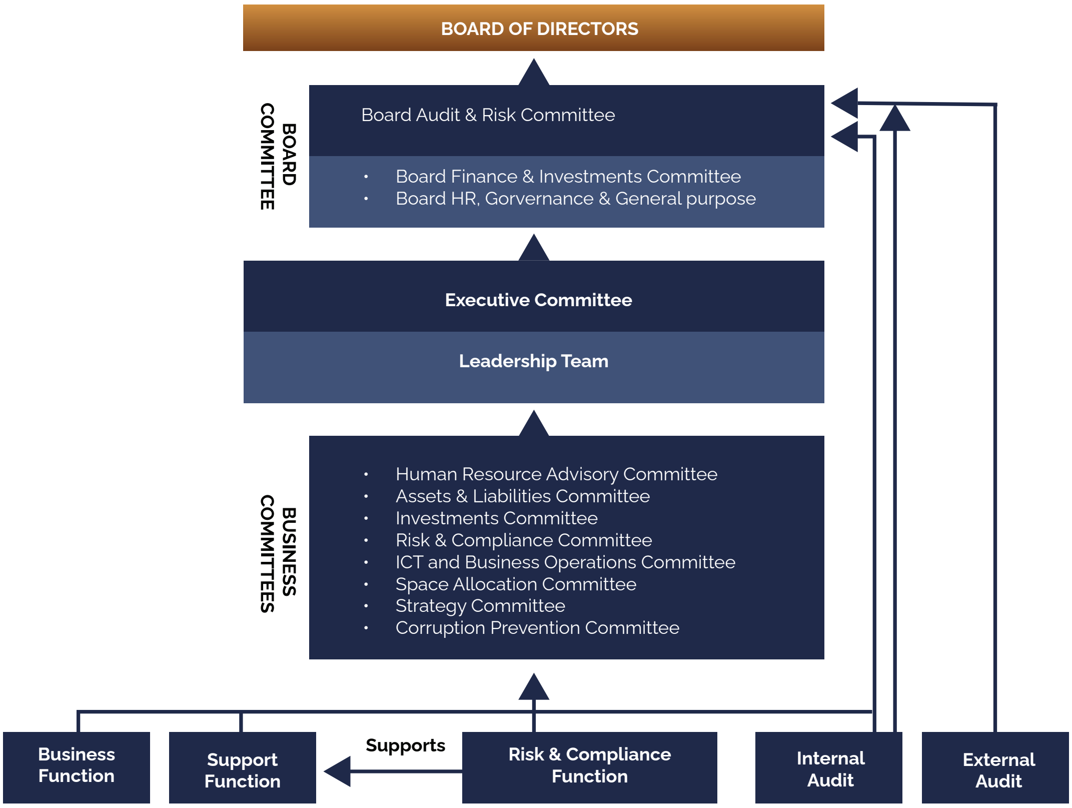
The Executive Committee (EC) is made up of the Director General, the Directors of the Corporation's Directorates and the Managers of the Departments of the Corporation.

The Leadership Team is equally made up of the Director General, the Directors and Deputy Directors of the Corporation's Directorates and the Managers of the Departments of the Corporation. The Leadership Team provides decisional support to the Business Committees, which are made up of various functional areas of the Corporation.

The Corporation's governance structure is illustrated in Fig. while the Organogram is attached in **Appendix IV** (current). A new organogram shall be developed and implemented in line with **Reviewed Organizational Structure Report.**

Implementation of this Strategic Plan is entrusted in a carefully crafted organizational structure. The structure depicts lines of responsibility for implementation of the objectives, strategies and activities. It also defines the environment which will enable performance and accountability.
The structure comprises the Board of Directors at the top who provide policy direction, strategic leadership and oversight to the Corporation; supported by a team of management led by the Director General, who are vested with decision-making responsibilities and day-to-day operations of the Corporation.

Figure 6.2.1: Corporation's Governance Structure



The Corporation is currently 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 as illustrated in the organogram in **Appendix III.** The 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; and
6. Internal Audit Directorate.

The two departments are:

1. Supply Chain Management Department; and
2. Risk Management and Compliance Department.

6.2.2 Staff Establishment, Skills Set and Competence Development

The Corporation has a total staff establishment of 104. KDC has nine (9) job cadres which it shall either maintain or review as per the **Reviewed Organizational Structure Report** which is in progress. The Corporation will establish effective strategies to enhance its workforce capabilities. These strategies encompass:

- Mandatory training sessions focused on key competencies like integrity, accountability, teamwork, and communication;
- Observational methods, such as emulating the practices of individuals who have successfully developed desired competencies;
- Joining professional organizations that endorse relevant skills;
- Engaging in reading and research to strengthen the essential competencies outlined in staff job profile; and
- Practical learning methods, such as engaging in on-the-job activities, utilizing job aids and simulations, and participating in mentorship programs.

The Corporation shall equally implement strategies and activities outlined in the implementation matrix under KRA 3, which include among others:

1. Developing a strategy to attract, develop and retain critical skills and competencies;
2. Undertaking employee engagement survey;
3. Undertake a work environment survey;
4. Implementing **Culture Audit Report** recommendations;
5. Conducting Training Needs Analysis (TNA) informed by Competency Framework Audit Report.
6. Developing and implementing annual training plan;
7. Undertaking Training Impact Assessment (TIA); and
8. Reviewing and implementing Reward Strategy.

6.2.3 Leadership

Successful implementation of the KDC Strategic Plan (2024-2028), together with the Revised Business Model and Organizational Structure will require one-organizational approach whereupon all the teams shall be involved from the Board of Directors, Management and Staff.

It follows therefore the need for coordination and harmonization of how each strategic activity is prioritized, budgeted for and implemented to achieve the highest level of efficiency, effectiveness, cost-savings and real value for money while ensuring compliance with all internal policies, procedures and existing relevant legal provisions.

Strategic Theme Teams (STT) have been proposed whose key roles will be to coordinate implementation of the strategic activities as outlined in the implementation matrix. The STT has been organized based on Strategic Issues identified in **Chapter 4** and aligned to the **Key Result Area** factoring the responsibilities as captured in the Implementation Matrix.

The STT will work hand in hand with the Research and Strategy Department for common understanding and translation of the strategic activities into AWP. In each case, the **Director Strategy or designated representative**, will be the Secretariat, ensuring the agreed prioritized strategic activities and implementation plan is documented for Monitoring, Evaluation, Reporting and Learning (MERL) purposes. Each team will be co-chaired by two heads of Directorates who bear the greatest responsibility in the concerned KRA. The terms of reference and composition of the Strategic Theme Teams is attached in **Appendix IV.**

Table 6.2.1: Corporation's staff establishment

STAFF ESTABLISHMENT					
Category	**Cadre**	**Approved Establishment**	**Optimal Staffing Levels**	**In-Post**	**Variance**
		A	B	C	D = (B-C)
Director General	*KDC-1*	1	1	1	0
Directors	*KDC-2*	5	5	2	3
Deputy Directors	*KDC-3*	15	15	12	3
Assistant Managers	*KDC-4*	34	34	20	14
Senior Officers	*KDC-5*	68	68	49	19
Officers	*KDC-6*				
Clerical Officers	*KDC-7*	30	30	22	8
	KDC-8				
	KDC-9				
Support Staff	KDC-10	2	2	1	1
Total		**155**	**155**	**107**	**48**

6.2.4 Systems and Procedures

The systems, processes and procedures will be reviewed to accommodate and align with the changes that have occurred within the internal and external operational environment of the Corporation. In line with the BETA agenda of enhancing digital and creative economy and value chain, the Corporation shall enhance its ICT systems to automate core functions. The proposed activities that will improve systems and procedures in support of successful implementation of the new Strategic Plan have been mapped under the Implementation Matrix.

6.3 Risk Management Framework

KDC has put in place and operationalized risk function which will be instrumental in the management and coordination of risk management activities in the Corporation for the period 2024 – 2029. The overarching objective will be to nurture the risk management culture at the Corporation and preside over its maturity status from Risk Defined status to Risk Managed status. This will be achieved through putting in place and fully operationalizing an Enterprise Risk Management framework that, among others, will include adoption of relevant Risk Management Strategy, Policy and tactical risk management work plans. An analysis of risks likely to be faced while implementing the Plan has been done.

For each risk, appropriate mitigation measures have been identified. These risks have been discussed and highlighted at corporate level, and summarized in **Table 6.3.1.**

Definitions:

1. **Credit Risk:** This is the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the corporation or if an obligor otherwise fails to perform as agreed.
2. **Financial Risk:** Risk associated with all risks financial in nature including but not limited to Liquidity and cash flow risks. Risk arising out of the financial operations
3. **Information Communication and Technology Risk:** The broad risk associated with computers, e-commerce, and on-line technology. Examples of technology risks include network/server failures, obsolescence, lack of ICT resources/systems and skills, loss/theft of client/customer data, inadequate system security, viruses, denial of service, systems availability, and integration issues.
4. **Operational Risk:** This is the risk of direct or indirect loss arising from inadequate or failed internal processes, people and systems, or external events. It can cause financial loss, reputational loss, loss of competitive position or regulatory sanctions.
5. **Compliance Risk:** This is the current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices, or ethical standards, as well as from the possibility of incorrect interpretation of effective laws or regulations. Institutions are exposed to compliance risk due to relations with a great number of stakeholders, e.g. regulators, customers, counter parties, as well as tax authorities, local authorities and other authorized agencies.

Table 6.3.1: Risk Management Framework Matrix

Risk Category	Risk Indicators/ Risk Drivers	Broad Risk Responses	Likelihood	Severity		Overall	Specific Detailed Activities
Credit Risk	Insufficient collateral/ Unrealized collaterals	Ensure consistency in establishing validity, valuation and realizability of the provided collaterals.	4	4	16	Medium	Ensure consistency in establishing validity, valuation and realizability of the provided collaterals by: • Annually verify existence of movable collateral. • Periodically re-evaluate existing collateral to ascertain the adequacy.
	Inadequate Portfolio Management	Develop and implement an automated portfolio monitoring to enhance collection of expected monthly instalments and projects assumptions tracking and monitoring.	4	5	20	High	1. Develop structured framework and tools for project monitoring & evaluation. 2. Strengthen the monitoring and evaluation process to ensure continuous project monitoring and identification of problematic projects/areas and implementation of corrective action plans in time 3. Consider engaging external consultants to aid in the process of M&E / conduct internal training to staff in order to enhance their M&E capabilities. 4. Investment performance be based on cashflow return as a critical measure in addition to other performance indicators.
		Enhance the skills and expertise to have diversity in sectorial spectrum.	4	4	16	Medium	Develop in-house expertise on sectorial lending i.e. credit analysts with in-depth knowledge in particular economic sectors.
	Flawed Appraisal Process	Review the project appraisal and post appraisal processes	4	4	16	Medium	Revise project appraisal and post appraisal process.
Overall credit risk			4	4.25	17	High	
Financial Risks	Revenue Leakages	Explore ways to sweat the idle assets.	4	5	20	High	Develop and implement a disposal or leasing plan for idle assets such as Land and buildings (after concurrence from the ministry) and other operational assets.
		Enhance revenue collection for rental properties and loan recovery.					• Fast track the loan recovery efforts • Synchronize billing cycles for tenants & implement efficient rent collection measures.

Risk Category	Risk Indicators/ Risk Drivers	Broad Risk Responses	Likelihood	Severity		Overall	Specific Detailed Activities
	Volatile external economic environment.	Market risk such as interest rate risk, commodity risk, changes in monetary policies, currency risks.	4	3.75	15	Medium	Revise the interest rate model to risk based.
	Inadequate funding	Explore alternative ways to raise additional funds thus reduced reliance on government budget allocations to fund operations.	4	3.5	14	Medium	• Diversification of funding sources. • Lobby for predictable government allocation/ budget in each financial year.
	Investment in unviable projects.	Reevaluate the procedures for handling unviable projects to establish ways of early exit.	4	5	20	High	• Inclusion of early warning signs of non-performance in the projects through a structured project monitoring tool. • Hasten early exit to avoid huge investment loss.
	Increased operational costs.	Rationalize and prioritize projects	4	4.1	16.4	Medium	• The undertaking of projects should be supported by a business case and a cost benefit analysis. • Undertake mid-year budget review to ensure funds availability to critical projects through re-allocation of resources from the less critical projects. • Implement revenue to cost matching financial management mechanism/ job costing model.
Overall financial risks			4	4.27	17.1	High	
Information Communication Technology Risk	Cyber-crime attacks	Proactive monitoring of systems:	4	5	20	High	• Continuously review and act on threat management and protection reports • Acquisition of digital forensic tools and establishment of digital forensic lab. • Interagency cooperation in fighting cybercrime
	Lack of IT Service Continuity:	Test of IT disaster recovery sites and data centers.	4	4.3	17	High	• Periodic Testing of IT disaster recovery sites and data centers. • Ensure real-time Back up of periphery systems

Risk Category	Risk Indicators/ Risk Drivers	Broad Risk Responses	Likelihood	Severity		Overall	Specific Detailed Activities
	System Interruption & loss of communication network	Manage system and network interruptions	4	3.5	14	Medium	Manage system interruptions through; • Adhering to maintenance procedures and SLAs with support contractors where applicable especially on staff training. • Acquiring reliable network • Equipment/System replacement plan. • Regular preventive maintenance of the network systems / equipment
	Lack of IT Service Continuity:	Test of IT disaster recovery sites and data centers.	4	4.3	17	High	• Periodic Testing of IT disaster recovery sites and data centers. • Ensure real-time Back up of periphery systems
	System Interruption & loss of communication network	Manage system and network interruptions	4	3.5	14	Medium	Manage system interruptions through; • Adhering to maintenance procedures and SLAs with support contractors where applicable especially on staff training. • Acquiring reliable network • Equipment/System replacement plan. • Regular preventive maintenance of the network systems / equipment
	Ineffective management of ICT services	Develop and implement a framework to manage ICT services.	4	4.3	17	High	• Develop and implement a suitable ICT framework. • Implement standards and best practices such as ITIL, COBIT, ISO 27000, Prince • Identify and prioritize business processed that need to be automated.
Overall ICT risks			4	4.3	17.2	High	
Operational Risk	Ineffective corporate culture	Define and implement the appropriate culture for the Corporation.	4	3.25	13	Medium	Develop and implement a Culture Change Strategy.
	Inefficient & ineffective operations & procedures	Reengineer the existing processes to enhance operational efficiency.	4	4.3	17.2	High	• Undertake reengineering of business processes • Enhance the business processes with ISO 9001:2018 standards.

Risk Category	Risk Indicators/ Risk Drivers	Broad Risk Responses	Likelihood	Severity		Overall	Specific Detailed Activities
	Inadequate staffing resources	Ensuring staff are well compensated and have the right skills and competencies for the placement.	4	4.3	17.2	High	• Speed up hiring for critical roles • Develop and implement a succession plan • Develop and implement a competitive remunerative framework.
	Integrate business continuity management within the corporation	Testing of Business Continuity plans	4	3.75	15	Medium	• Develop a business analysis impact on critical business activities. • Develop & implement a BCM maturity road map that shall include test of business continuity plans. • Mapping of Business Continuity & Risk Management plans
	Inadequacies in the systems & mechanisms to respond to major business disruptions	Training and sensitization of staff	4	4.3	17.2	High	• Sensitize all staff regarding BCM and on their role in the event of major business disruptions. • Update existing emergency response plans
Overall operational risks			4	4.3	17.2	High	
Compliance Risk	Weak governance structures	The corporation is susceptible to structural changes are implemented by the Government.	4	3.4	13.6	Medium	• Obtain full leadership commitment, employee buy-in and stakeholders' engagement. • Adhere, resource, capacity-built and implement the laid down and documented governance structure.
	Non-compliance to existing laws and regulations	With numerous new laws and policy Shifts there is need to constantly review the legal framework	4	4	16	Medium	Regular assessment of the legal environment and lobbying for necessary amendments or legislations
	Counterparty-risk	Ensure compliance to vendor requirements, vendor policies and procedures including license and adequate contract management	4	4	16	Medium	• Control litigation costs and contingent liabilities. • Identify the existing legislation requirements on information security, copyright laws and vendor policies and procedures on software use.
Overall compliance risks			4	3.98	15.92	Medium	

Chapter Seven:

Resource Requirements and Mobilisation Strategies

Overview

To implement the Strategic Plan, there is need for resources and strategies for mobilizing the resources. This Chapter deals with financial resources requirements for implementation of the KDC 2.0 Strategic Plan over the next five years.

7.1 Financial Requirements

In the planning process, resource requirements were considered in accordance with the cost of implementing the outlined activities under each strategy, and the Corporations administrative costs. The costs have been summarized under each KRA and captured in **Table 7.1.1** for the five-year plan period. The total of estimate for implementation of the KDC 2.0 Strategic Plan is **KSh 37.814 billion.**

Table 7.1.1: Financial resource requirements

Cost Item	Projected resource requirements in million KSh					
	2024/25	2025/26	2026/27	2027/28	2028/29	Total
KRA 1	2,329.60	4,430.00	5,280.00	5,970.00	7,030.00	25,039.60
KRA 2	4.29	6.75	19.75	14.55	14.55	59.89
KRA 3	363.20	386.60	331.70	330.10	331.70	1,743.30
Administrative Cost	2,085.90	2,134.96	2,187.72	2,247.52	2,315.71	10,971.81
TOTAL	**4,782.99**	**6,958.31**	**7,819.17**	**8,562.17**	**9,691.96**	**37,814.60**

The Corporation estimates to raise **KSh 16.5 B** over the five-year period from its internal revenue streams as captured in **Table 7.1.2**

Table 7.1.2: Cash In-low projections from specific lines.

RECEIPTS	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Dividend Receipts	675.36	709.12	744.58	763.20	782.28	3,674.54
Loan Collection	1,600.73	1,680.77	1,764.80	1,853.04	1,945.70	8,845.04
Rent Receipts	522.82	522.82	522.82	535.89	549.28	2,653.62
Interest on deposits	189.22	39.09	14.30	14.65	144.88	402.13
Other Receipts	113.45	119.12	137.90	141.34	144.88	656.68
Disposal of assets	1.00	1.00	4.00	4.10	4.20	14.30
Write Backs	9.70	9.22	8.76	8.97	9.20	45.84
Sale of Investment property: Oceania	120.00	90.00	-	-		210.00
TOTAL RECEIPTS	**3,232.27**	**3,171.13**	**3,197.15**	**3,321.20**	**3,580.41**	**16,502.16**

Other sources of inflow include special credit lines from development partners for specific programs/projects as captured in **Table 7.1.3**, which amounts to **Ksh 4.6B**. The Corporation has excluded these funds in its cash in-flow estimates in fulfilment the grant conditions.

Table 7.1.3: Special projects credit lines.

RECEIPTS	2024/25	2025/26	2026/27	2027/28	2028/29	Total
DRIVE (WORLD BANK)	1,600.00		-	-		1,600.00
KJET FUNDS	1,000.00			-		1,000.00
SAFER	1,000.00			-		1,000.00
LOC EXIM INDIA	1,000.00			-		1,000.00
TOTAL RECEIPTS	**4,600.00**	**-**	**-**	**-**	**-**	**4,600.00**

Furthermore, the Corporation plans to divest from specific unquoted entities, which will generate **Ksh 5.75B.**

In summary, the projected cash in-flows from internal operations and divestiture proceeds is estimated at **Ksh 22.26B**. Compared with estimated requirements for implementing the Strategic Plan, the estimated variance is a deficit of **Ksh 8.73B** as summarized in **Table 7.1.4.** In the event the divestiture amount is not realized, the variance will be a deficit of **Ksh 15.56B.**

Table 7.1.4: Resource gaps

Financial year	Estimated financial requirements (KSh Mn)	Estimated financial in-flows (KSh Mn)	Variance (KSh Mn)
2024/25	4,782.99	8,986.94	4,203.95
2025/26	6,958.31	3,171.13	(3,787.18)
2026/27	7,819.17	3,197.15	(4,622.02)
2027/28	8,562.17	3,321.20	(5,240.97)
2028/29	9,691.96	3,580.41	(6,111.55)
TOTAL	**37,814.60**	**22,256.83**	**(15,557.77)**

7.2 Resource Mobilization Strategies

The estimated gap between the projected revenue sources and the financial resource requirements will be bridged through the following outlined resource mobilization measures.

1. Diversification of revenue streams;
2. Effective collection of funded and non-funded income;
3. Restructuring balance sheet to create a defined capital structure;
4. Effective portfolio management;
5. Divestiture.
6. A strong presence to reach customers in 8 select sectors;
7. Product innovation and improvement;
8. Sector-focused resource mobilization;
9. Leveraging on strategic partners and networks;
10. Strategic position for effective participation in policy direction.

7.3 Resource Management

The Corporation's brand promise is 'Creating wealth together'. This promise resonates well with the objective of ensuring that each coin invested by the tax-payers in the Corporation adds value to the public and for the public good. To this end, the Corporation shall endeavor to ensure compliance with PFM Act, 2012 in managing public funds at its disposal. The outlined measures include:

1. The Corporation shall give priority to financing projects that maximize value-chain impact for socio-economic development;
2. Employ cost-cutting measure and allocate more resources towards its core mandate;
3. Operate a lean, effective organization that creates value to the public;
4. Leverage on technology to reduce operational costs associated with physical meetings, printing and stationery, communication thereby positively impacting environmental conservation.
5. Maximize revenue generation by utilizing its assets effectively.
6. Deploy appropriate technology to enhance internal controls, business processes and decision making thereby reducing Corporation's risk exposures that may result to loss of funds or poor-quality portfolio.

"The Corporation's brand promise is 'Creating wealth together'. This promise resonates well with the objective of ensuring that each coin invested by the tax-payers in the Corporation adds value to the public and for the public good."

Chapter Eight:

Monitoring, Evaluation and Reporting Framework

Overview

This Chapter outlines how the Corporation will monitor progress in implementation of the Strategic Plan. It describes appropriate monitoring framework, performance metrics, evaluation framework and reporting and feedback mechanism.

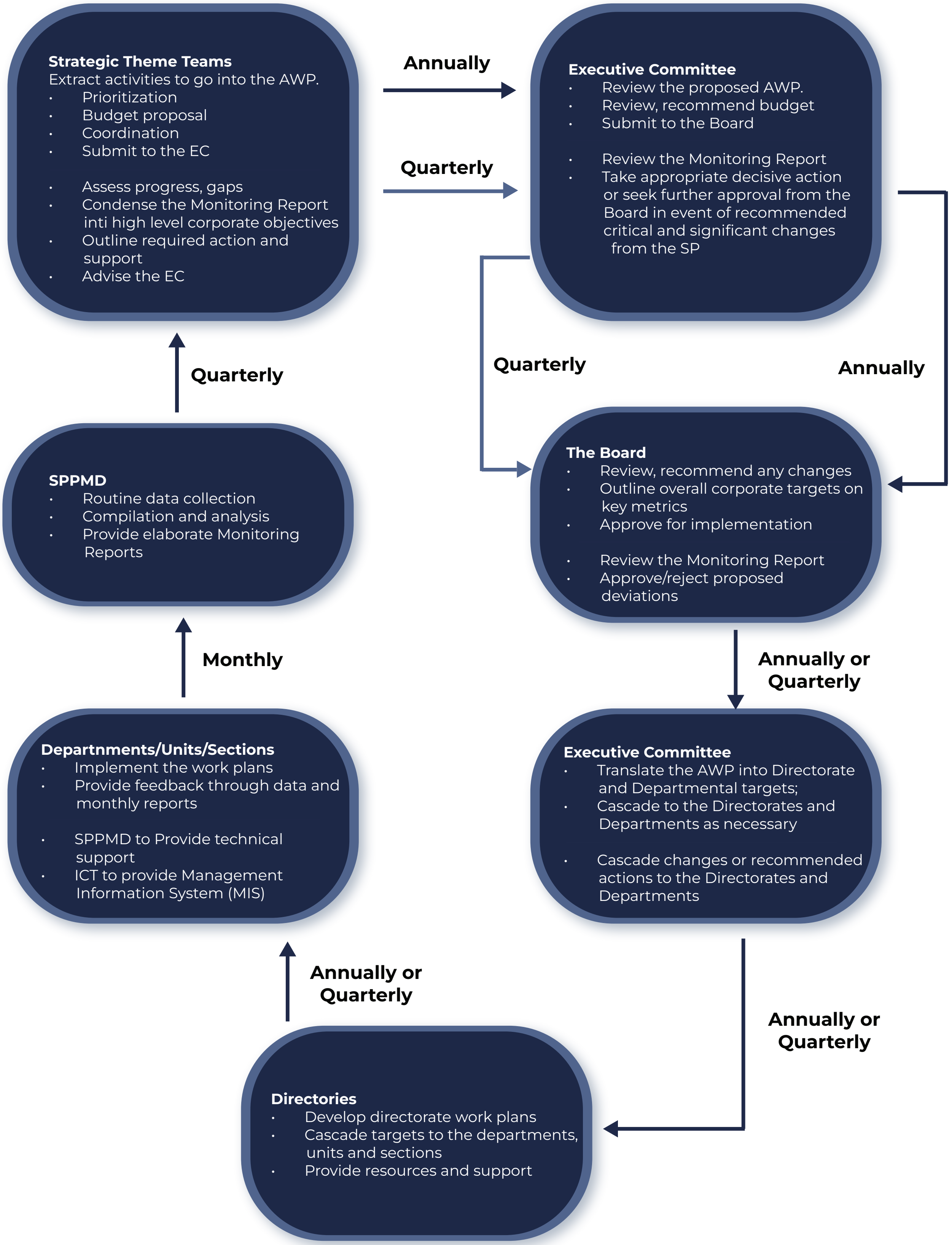
8.1 Monitoring Framework

Implementation progress of the Corporation's Strategic Plan will be undertaken through distinct but interrelated activities which include: development and deployment of the Annual Work Plan (AWP), regular collection and compilation of the output data, and assessment of the objectives in achieving the desired outcome.

The following key performance indicators will be used to track the outputs and outcomes of the Plan.

1. Maximizing impactful development interventions
    a. Value of invested funds in focus areas for socio-economic impact;
    b. Investment in cross-cutting issues, enablers and special projects that contribute to socio-economic transformation;
    c. Promoted sustainable enterprises by the Corporation
    d. Monitoring, evaluation and reporting on the socio-economic impacts. The targets for each parameter are provided below:
        - No. of jobs created and sustained: **118,714**
        - GDP contribution: **16.3B**
        - Promotion of climate resilience: **2.5 million trees planted**
2. Mobilized financial and technical;
3. Corporations financial stability and resilience through:
    a. Annual revenues:
    b. Effective collections:
    c. Portfolio quality:
    d. Operational cost to income ratio.
4. Operational excellence will be evaluated through:
    a. Customer satisfaction index.
5. Corporations communication and brand visibility will be evaluated through:
    a. Brand equity index.
6. Mainstreaming research and innovation will be evaluated through:
    a. Research finding implementation; and
    b. Commercialized innovations.
7. Digital transformation will be evaluated through:
    a. Level of automation; and
    b. New technologies adopted.
8. Employee engagement and productivity; and
9. Governance, risk and audit compliance rates.

Figure 8.1.1: Strategic Plan Monitoring Framework



For effective progress monitoring, the Corporation shall undertake baseline surveys to map the baseline data on the above key performance indicators within the first year. Through regular collection, compilation and analysis of the performance data, the Corporation shall ensure deliberate efforts are put in place to improve coordination of activities thus enhancing efficiency and effectiveness, and ultimately improved performance. These measures include:

1. Reviewing output against target;
2. Refocusing on high-impact low value strategic activities;
3. Enhancing staff capacity for maximum productivity;
4. Eliminating bottlenecks and bureaucracies that hinder progress; and
5. Consistently applying individual and collective performance appraisal.

The envisaged monitoring framework is illustrated in **Fig. 8.1.1**

8.1.1 Board Level

The Board will monitor implementation progress of the Strategic Plan through the following mechanisms:

- Outline corporate targets for the Executive Committee.
- Approve Annual Work Plan extracted from the Strategic Plan Implementation Matrix presented by the Executive Committee outlining specific objectives, key activities, targets, budgets and responsibility centers.
- Receive comprehensive annual reports from the EC denoting progress made, challenges and lessons, and review the same against the targets and provide feedback on most appropriate remedial action where need be.
- On quarterly basis, the board will be informed on the implementation progress through a summarized high-level report by the EC. Should there be specific need for alteration of the AWP that requires the Board's attention, this information will be submitted to the Board either quarterly or annually.

8.1.2 Executive Committee Level

The Executive Committee will provide leadership, resources and support to the team to implement the Strategic Plan. Their role in monitoring implementation progress of the Strategic Plan will be through the following mechanism:

- Receive a filtered and refined Annual Work Plan submitted by the STT.
- Review the AWP and if need be, recommend changes to the STT for adoption based on identified priorities aligned with the BETA value-chain approach.
- Submitted the adopted AWP and budget to the Board for review and approval.
- Once approved by the Board, the EC will translate the AWP into Directorate and/or Departmental targets and cascade appropriately.
- Receive quarterly monitoring report from the STT.
- The EC will review the quarterly reports, noting the successes, deviations and gaps, and take appropriate actions. Any decision that will be contrary to the Strategic Plan or have material change in the budget should be escalated to the Board for further deliberations and approval before implementation.

"For effective progress monitoring, the Corporation shall undertake baseline surveys to map the baseline data on the above key performance indicators within the first year."

8.1.3 Strategic Theme Team Level

The Strategic Theme Team have been tasked with the critical role of coordinating implementation of the Corporation's Strategic Plan. They are essentially at the center of action in realization of the objectives of the KDC 2.0 Strategic Plan. Their role in monitoring implementation progress will be of utmost significance as they will not only develop the AWP, but also ensure all organs of the Corporation are involved in its execution as appropriate.

To this end, the STT will:

- supported by the Strategy, Planning and Performance Management Department (SPPMD), extract and outline Annual Work Plan from the Strategic Plan for each respective year;
- prioritize strategic activities for in AWP and propose budget for their implementation;
- present the AWP with composite targets and budgets to the Executive Committee as outlined in **Section 8.1.2** above;
- receive quarterly monitoring reports from the SPPMD, review and recommend appropriate action moving forward;
- present a summarized high-level quarterly progress report to the EC for information or further action; and
- submit comprehensive annual progress report on Strategic Plan implementation to the EC.

8.1.4 Directorate Level

- The Directorates will develop work plans for their respective functions based on identified corporate priorities and available budgets.
- They will cascade the targets accordingly to the departments, units and sections under them, and provide guidance, resources and support for full implementation and realization of the set targets.
- They will also ensure that the targets translate into individual performance contracts signed by the staff under their functions.
- On monthly basis, each Directorate will take note of the progress report on key performance indicators and work collaboratively with their teams to attain high level performance.

Table 8.2.1: Strategic Plan Performance Standards

No.	KPI	Performance Standard
1.	Value of invested funds in focus areas for socio-economic impact	80%
2.	Investment in cross-cutting issues, enablers and special projects that contribute to socio-economic transformation	80%
3.	Promoted sustainable enterprises by the Corporation	85%
4.	Monitoring socio-economic impact	50%
5.	Mobilized financial and technical	80%
6.	Annual revenues:	80%
7.	Effective collections:	90%
8.	Portfolio quality:	15%
9.	Operational cost to income ratio	50%
10.	Customer satisfaction index	85%
11.	Brand equity index.	80%
12.	Research finding implementation	100%
13.	Commercialized innovations	80%
14.	Automation	70%
15.	New technologies	70%
16.	Employee engagement index	70%
17.	Employee productivity index	70%
18.	Governance, risk and audit compliance rates	80%

8.1.5 Departmental Level

Each Department shall focus on implementation of the functional directorate work plan. The Departments will routinely provide monthly reports on Strategic Plan activities initiated or undertaken and outputs to the SPPMD and to the functional Directorate. The SPPMD will compile the reports, collate and analyze performance data, initiate and gather additional information as may be necessary and submit the reports to the STT on quarterly basis for further review. STT will ensure that each Departments receives quarterly and annual feedback on the progress they have made, and further appropriate action if need be.

8.2 Performance Standards

KDC shall monitor implementation of the Strategic Plan to ensure that each activity is relevant, high level of efficiency is achieved, interventions are effective and scarce resources are optimally utilized for meeting the desired goals in a sustainable manner. Each output, outcome and efficiency level will be considered successful if they meet the following performance criteria:

8.3 Evaluation Framework

The KDC 2.0 Strategic Plan implementation will be evaluated in **two distinct** but interrelated phases as outlined below:

8.3.1 Mid-Term Evaluation

The **Mid-Term Review** of the Strategic Plan will be a detailed assessment of implementation progress and outcome focusing on all components of the Strategic Plan. The Mid-Term Review should clearly demonstrate the extent to which the objectives of the Plan have been implemented and the outcome realized. Through the Mid-Term Review, the Board and Management of KDC shall be informed of any external or internal material changes in the operating environment, and if there is need to maintain the status quo, introduce new objectives, strategies, targets and budgets in the Strategic Plan or abandon certain strategies and activities all-together. The Mid-Term Review shall be undertaken after two-and half year of its implementation.

8.3.2 End-Term Evaluation

The End-Term Evaluation will be conducted at the end of the Strategic Plan period. This will be a detailed assessment of the level of implementation of the Strategic Plan and performance outcomes against the expectation or targets. The End-Term Review Report shall provide integral input into development of the subsequent Strategic Plan for the Corporation. It will clearly detail the performance against targets, key milestones achieved, gap analysis, challenges, emerging issues, lessons learnt and recommendations.

8.4 Reporting Framework and Feedback Mechanism

The Strategic Plan implementation progress will be monitored through collection and collation of various activity reports from all functions of the Corporation. The reports shall be processed as follows:

a) **Departmental reports:** based on the cascaded AWP, each department shall report progress of implementation of key strategic activities and the corresponding outcomes on monthly basis. The reports shall include key activities, implementation status, level of achievement of the targets, outcomes, implementation gaps, challenges and required support, and key lessons learnt.

b) **Directorate reports:** the departmental reports shall feed into the Directorate reports indicating progress or milestones on implementation of the Strategic Plan. The reports shall be collated and compiled by SPPMD and submitted to the Strategic Theme Teams for review and further submission to the Executive Committee, and ultimately to the Board.

c) **The ICT function** shall provide suitable infrastructure for collecting, collating and conveying the reports to inform appropriate decision-making and feedback.

APPENDICES

Appendix I: Implementation Matrix

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issues:	High level of post-harvest losses being experienced by farmers, especially small-scale holders in Kenya;															
	Declining contribution to GDP by manufacturing sector in Kenya;															
	Untapped economic potential in the service sectors that is capable of making significant contribution to the Kenya economy and job creation;															
Strategic Goals:	Attaining food security through elimination of post-harvest losses.															
	Spurring economic growth through industrialization.															
	Increased level of economic contribution from the service sectors.															
KRA 1:	**Maximizing impactful development interventions;**															
Outcome:	Effective and sustainable interventions that transform Kenya's socio-economic landscape															
STRATEGIC OBJECTIVE 1.1: To increase Investment in High Impact Sectors by kshs 25.00B to spur national socio-economic growth..																
1.1.1 Undertake high impact equity projects in areas of focus;	1.1.1.1 Invest in equity projects in line with the policy	Equity financing	Value in Million KSh	5000	300	500	1000	1300	1900	320	520	1020	1320	1920	Investments	
1.1.2 Product innovation and improvement;	1.1.2.1 Hold sector-based consultative forums with key players/stakeholder to inform opportunities	Consultative forums held	No. of sectoral reports	7	7					5.6					RPI	Investments/ Risk
	1.1.2.2 Conduct sectoral market research to inform opportunities	Market research conducted	No. of sectoral research conducted	16	8	2	2	2	2		3	3	3	3	RPI	Investments/ Risk
	1.1.2.3 Develop/ review products informed by market research	Products developed/ reviewed	% of approved products for the market	100%		100%	100%	100%	100%	0	0	0	0	0	Investments	
1.1.3 Strategic deployment of debt investments to high impact areas	1.1.3.1 Invest debt in high impact areas of focus	Debt financing	Value in Million KSh	25,000	2,000	3,938	4,283	4,679	5,135	2,000	3,938	4,283	4,679	5,135	Investments	
	1.1.3.2 Deployment of green climate financing	Funds deployed	Absorption rate	100%	100%	100%	100%	100%	100%	0	0	0	0	0	RM/ Investments	

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Objective 1.2: To increase Investments in special purpose projects by kshs 25B for equitable economic growth																
1.2.1 Comprehensive approach for managing and implementing special projects	1.2.1.1 Implement special projects	Special projects implemented	Amount of deployed Special Funds mobilized	25,000	5,000	9,710	2,290	3,000	5,000	-	-	-	-	-	Investments	Finance
	1.2.1.2 Develop proposal for funding and implementing internally-driven special projects	Funded proposals developed	No. of funded proposals	5	1	1	1	1	1						PDRM	Investment/ Finance
STRATEGIC OBJECTIVE 1.3: To promote sustainability of funded enterprises through project preparation and business advisory																
1.3.1 Provision of comprehensive and tailored advisory services in chosen sectors.	1.3.1.1 Develop business advisory services operating framework	Framework developed	Approved framework	1	1					0	0	0	0	0	Investments	
	1.3.1.2 Implement business advisory services operating framework	Framework implemented	Level of implementation	100%		100%	100%	100%	100%	0	1.5	0	0	0	Investments	
	1.3.1.3 Undertake business support for sustainability	Sustained enterprises	% of new & existing enterprises sustained	85%	85%	85%	85%	85%	85%	0	0	0	0	0	Investments	
	1.3.1.4 Undertake project preparation for bankability	Projects prepared for clients	No. of bankable projects prepared	33	2	4	7	9	11	0	0	0	0	0	Investments	
STRATEGIC OBJECTIVE 1.4: To report on Corporation's socio-economic impact																
1.4.1 Socio-economic impact reporting;	1.4.1.1 Develop social economic impact assessment framework	Framework developed	Approved framework	1	1					0	0	0	0	0	SPR	
	1.4.1.2 Undertake socio-economic impact reporting.	Annual socio-economic impact reports.	Number of reports.	5	1	1	1	1	1	4	4	4	4	4	SPR	Investment/ Risk

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issues:	Untapped huge economic potential in the service sectors that is capable of making significant contribution to the Kenya economy and job creation;															
Strategic Goals:	Increased level of economic contribution from the service sectors.															
KRA 2:	**Strategic partnerships, collaborations and networks;**															
Outcome:	Sustainable technical, financial and channel leverage															
STRATEGIC OBJECTIVE 2.1: To mobilize financial resources towards interventions in sectors with high socio- economic impact																
2.1.1 Sector-focused resource mobilization.	2.1.1.1 Develop Resource Mobilization Strategy (RMS)	RMS developed	Approved RMS	1	1					0	0	0	0	0	PDRM	
	2.1.1.2 Mobilize funds for Corporation's sectors of focus	Funds mobilized	Amount of funds raised in billion Ksh	12		3	3	3	3		0.12	0.12	0.12	0.12	PDRM	Finance
	2.1.1.3 Mobilize funds for special projects	Funds mobilized	Amount of funds raised in billion Ksh	15.56		7.78	7.78				0.31	0.31			PDRM	Finance
	2.1.1.4 Develop Joint Ventures (JVs) Strategy	JV strategy developed	Approved JV strategy	1	1					0	0	0	0	0	PDRM	
	2.1.1.5 Implement JV strategy	JV partners on-boarded	No. of JVs implemented	3			1	1	1	0	0	5	5	5	PDRM	Supply Chain/ Finance/ Investments
	2.1.1.6 Develop divestiture strategy	Divestiture strategy developed	Approved strategy	1	1					0.0	0.0	0.0	0.0	0.0	Investments	Finance
	2.1.1.7 Implement divestiture strategy	Strategy implemented	Level of implementation	100%	100%	100%	100%	100%	100%	4.3	1.4	1.4	1.4	1.4	Investments	Finance
	2.1.1.8 Operationalize green climate financing	Fund operationalized	Level of operationalization	100%		100%				0	0	0	0	0	PDRM/ Investments	Legal

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
2.1.2 Capital restructuring	2.1.2.1 Resolve legacy loans	Legacy loans resolved	% resolved legacy loans	100%	100%	100%				0	0	0	0	0	Debt Mgt	Portfolio/ Legal
	2.1.2.2 Convert govt grants, reserves and loans to equity	Approved conversion	Level of implementation	100%		100%				0	0	0	0	0	Finance & Debt Mgt	Legal
	2.1.2.3 Onboard strategic shareholder (s) in the Corporation	Strategic shareholders onboarded	No. of shareholders onboarded	1			1			0	5	5	0	0	PDRM/ Legal	
STRATEGIC OBJECTIVE 2.2: To enhance strategic collaborations in technical areas and knowledge transfer																
2.2.1 Enhancing strategic significance through partnerships.	2.2.1.1 Develop a Partnership Engagement Strategy (PES)	PES developed	Approved PES	1	1										PDRM	
	2.2.1.2 Implement PES	Strategy workplan implemented	Level of implementation	100%	100%	100%	100%	100%	100%						PDRM	Legal
	2.2.1.3 Review and implement existing MoUs to realign to new areas of focus	MoUs reviewed and implemented	Level of implementation	100%	100%	100%	100%	100%	100%						PDRM	All Depts
	2.2.1.4 Acquire credit ratings from accredited rating agencies	Favorable credit rating	Rating index	B			Baseline	B	B			8	8	8	Finance/ Investment	All Depts
STRATEGIC OBJECTIVE 2.3: To effectively contribute in national economic policy direction																
2.3.1 Position the Corporation as an investment arm of the Government	2.3.1.1 Collaborate with the NT&EP to develop National Development Investment Policy (NDIP)	Policy developed	Approved policy	1	1					0	0	0	0	0	SPR	Legal/ Investment
	2.3.1.2 Implement NDIP	No. of investments implemented	Level of Implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	Investments	All Depts
	2.3.1.3 Align Corporation's instruments to NDIP	KDC's instruments aligned	Level of alignment	100%			100%								Legal	SPR
	2.3.1.4 Identify policy gaps and develop appropriate briefs to the Govt.	Policy briefs submitted	No. of policy briefs	5	1	1	1	1	1						SPR	Legal
	2.3.1.5 Implement Dividend Policy	Dividend policy implemented	Level of implementation	100%	100%	100%	100%	100%	100%						Finance	

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue:	Limited financial resources to meet investment demand, unoptimized organizational capacity and operational efficiency to effectively realize the Corporation's mandate															
Strategic Goal:	A sustainable organization.															
KRA 3:	**Institutional capacity**															
OUTCOME:	Sustainable organization.															
STRATEGIC OBJECTIVE 3.1: To strengthen Corporation's financial sustainability;																
3.1.1 Diversification and growth of annual revenue (from 2.0 B to 3.61 B by 2028/29)	3.1.1.1 Develop new revenue streams	New revenue streams developed	No. of new revenue streams developed	4	0	1	1	1	1	0	0	0	0	0	Investment	Finance
	3.1.1.2 Implement the new revenue streams	New revenue streams implemented	Amount of funds generated in new revenue streams in million KSh	463	0	25	63	125	250	0	0	0	0	0	Investment	Finance
	3.1.1.3 Grow existing revenue streams	Revenue generated	Amount of funded income in million KSh	7692	1242	1373	1520	1685	1872	0	0	0	0	0	Investment	Finance
			Amount of non-funded income in million KSh	7693	1681	1576	1519	1428	1489	0	0	0	0	0	Investment/ Admin	Finance
3.1.2 Effective realization of all income.	3.1.2.1 Collect income from all revenue streams	Income collected	% of revenue realized as cash	90%	90%	90%	90%	90%	90%	0	0	0	0	0	Investments	Finance
	3.1.2.2 Collect arrears from all investments	Reduced arrears	% of reduction in arrears	75%	15%	15%	15%	15%	15%	0	0	0	0	0	Investments/ Admin	Finance/ ICT/Legal
3.1.3 Maintaining quality asset portfolio	3.1.3.1 Reduce NPL to 15%	PAR reduced	% of PAR	15%	45%	35%	25%	15%	15%	0	0	0	0	0	Investments	
	3.1.3.2 Attain an average return of 5% on equity investment	Return on equity investment attained	% of return	5%	5%	5%	5%	5%		0	0	0	0	0	Investment	
	3.1.3.3 Optimize idle assets	Assets optimized	No. of assets optimized	5	1	1	1	1	1	250	250	250	250	250	Investment/ PDRM	Finance/ Legal
	3.1.3.4 Undertake monitoring and corrective actions for sustainability of funded enterprises	Sustainable funded enterprises	% of sustainable enterprises	80%	80%	80%	80%	80%	80%	0	0	0	0	0	Investment	

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
3.1.4 Optimization of costs to revenue ratio (from 71% to 50% by 2028/29)	3.1.4.1 Undertake Cost Analysis and benchmarking	Cost analysis and benchmarking undertaken	Report on cost analysis and benchmarking	1	1					2					Finance	
	3.1.4.2 Develop and implement cost-containment strategy.	Cost containment strategy and implementation	Level of implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	Finance	
	3.1.4.3 Automate cost management process.	Cost management process automated.	Level of automation	100%	50%	100%				0	0	0	0	0	Finance	ICT
STRATEGIC OBJECTIVE 3.2: To enhance internal operational efficiency in order to achieve excellent customer experience																
3.2.1 Optimization of internal business processes.	3.2.1.1 Identify Business Processes for Reengineering (BPR)	Processes identified for BPR	BPR Report	1	1					-					SPPM	All Depts
	3.2.1.2 Undertake Business Process Reengineering as identified	BPR undertaken	% of processes reengineered	100%	100%	100%				4	-	-	-	-	SPPM	All Depts
3.2.2 Effective management of legal risk exposure.	3.2.2.1 Timely processing of security perfection and legal documentation	Security perfection and legal documentation timely processed	Compliance with timelines	1	1	1	1	1	1						Legal	All Depts
	3.2.2.2 Manage contracts effectively	Contracts processed	Compliance with contract processing timelines	100%	100%	100%	100%	100%	100%	-	-	-	-	-	Legal	All Depts
		Quality contracts	No. of contract-based litigations	0	-	-	-	-	-	-	-	-	-	-	All Depts	Legal
3.2.3 Improve customer satisfaction rating	3.2.3.1 Establish and implement a robust customer feedback mechanism.	Approved customer feedback mechanism and implementation plan.	% of plan implementation	100%	100%	100%	100%	100%	100%						Corp Com/ Cust Exp.	All Depts
	3.2.3.2. Conduct satisfaction surveys.	Survey report.	Customer satisfaction rating.	90%	Baseline.		85%		90%	2		2		2	Corp Com/ Cust Exp.	All Depts
	3.3.1.4 Implement customer satisfaction surveys recommendations	Customer satisfaction survey recommendations implemented	Level of implementation	100%		100%		100%		0	0	0	0	0	Corp Com	All Depts

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
STRATEGIC OBJECTIVE 3.3: To promote effective communication and brand visibility.																
3.3.1 Enhancement of stakeholder engagements and satisfaction;	3.3.1.1 Review Communication Strategy (Internal and External)	Communication strategy reviewed	Approved strategy	100%	100%					0	0	0	0	0	Corp Com	
	3.3.1.2 Implement the reviewed Communication Strategy	Strategy implemented	Level of implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	Corp Com	ICT
	3.3.1.3 Review and revamp customer portal	Customer portal revamped	Level of implementation	100%	100%					0	5	0	0	0	Corp Com	ICT
	3.3.1.4 Review and revamp Customer Relationship Management (CRM)	CRM reviewed and revamped	Level of implementation	100%	100%										Corp Com	ICT
3.3.2 Enhancement of brand awareness/ equity;	3.3.2.1 Develop brand strategy	Strategy developed	Approved strategy	100%	100%					1.5	0	0	0	0	Corp Com	ICT
	3.3.2.2 Implement brand strategy	Strategy implemented	Awareness index	80%	20%	40%	60%	80%	80%		0	0	0	0	Corp Com	ICT
	3.3.2.3 Undertake brand equity audit	Brand equity audit undertaken	Brand equity index	100%	Baseline.	30%	60%	90%	100%	5	0	0	0	0	Corp Com	SPR
	3.3.2.4 Redesign the website	Interactive redesigned website	Website high performance metrics	100%	100%	100%	100%	100%	100%	5	1	1	1	1	Corp Com	ICT
STRATEGIC OBJECTIVE 3.4: To mainstream research and institutionalize innovation																
3.4.1 Enhance utilization of research and innovation	3.4.1.1 Implement research findings to inform decision-making	Research findings implemented	% of research findings implemented	100%	100%	100%	100%	100%	100%	0	0	0	0	0	All Depts	SPRI
	3.4.1.2 Develop Knowledge Management Framework (KMF)	KMF Framework developed	Approved Framework	1	1										SPRI	All Depts
	3.4.1.3 Establish Knowledge Management Repository (KMR)	KMR established	KMR repository	1	1					5	1	1	1	1	SPRI	ICT
	3.4.1.4 Update knowledge management repository annually	KMR updated	No. of updates	4		1	1	1	1						SPRI	ICT
	3.4.2.5 Facilitate innovation pipeline	Innovation pipeline facilitated	No. of ideas progressed to commercialization	5	1	1	1	1	1	10	10	10	10	10	SPRI/ PDRM	All Depts

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
STRATEGIC OBJECTIVE 3.5: To implement digital transformations and adopt a data-driven decision-making approach.																
3.5.1 Optimize, integrate, and leverage information and technology solutions and competencies.	3.5.1.1 Conduct Corporation's digital & Artificial Intelligence (AI) needs assessment	Needs assessment conducted	Approved report	1	1					-	-	-	-	-	ICT	All Depts
	3.5.1.2 Implement Corporation's digital transformation & AI needs assessment recommendations	Digital transformation & AI needs assessment recommendations implemented	% of recommendations implemented	100%	100%	100%	100%	100%	100%	2	2	2	2	2	ICT	All Depts
	3.5.1.3 Automate key Corporation's processes as per BPR.	Key processes automated	% of processes automated	100%	100%	100%	100%	100%	100%	2	2	-	-	-	SPPM/ICT	All Depts
	3.5.1.4 Implement an integrated Enterprise Resource Program (ERP)system	Integrated ERP system and workflow management implemented	Level of utilization	100%	100%	100%	100%	100%	100%	-	40	-	-	-	ICT	All Depts
	3.5.1.5 Upgrade cybersecurity management systems	Cybersecurity management systems upgraded	Level of implementation	100%	100%	100%	100%	100%	100%	-	-	-	-	-	ICT	All Depts
	3.5.1.6 Digitize Corporation's records	Electronic data Management System (EDMS) in place	Level of digitization	100%	100%	100%	100%	100%	100%	5	-	-	2	-	HR&A	ICT
	3.5.1.7 Implement end-to-end data analytic tools	Data analytic tools implemented	Level of implementation	100%	100%	100%	100%	100%	100%		5				ICT	All Depts

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
STRATEGIC OBJECTIVE 3.6: To attract and retain productive human capital																
3.6.1 Strengthening human capital management and experience.	3.7.1.1 Implement the organizational review report recommendations	Organizational review report action plan developed & approved	Approved action plan	1	1					0					HR&A	All Depts
		Organizational review report action plan implemented	Implementation level	100%	100%	100%	100%	100%	100%	15	15	15	15	15	HR&A	All Depts
	3.7.1.2 Develop a strategy to attract and retain critical skills and competencies	Strategy developed	Approved strategy	1	1					0					HR&A	All Depts
		Strategy implemented	Implementation level	100%	100%	100%	100%	100%	100%						HR&A	All Depts
	3.7.1.3 Conduct employee engagement survey.	Employee engagement survey conducted	No. of surveys	3	1		1		1	0.8		0.8		0.8	HR&A	All Depts
			Engagement Index	85%	Baseline.		80%		85%	0					HR&A	All Depts
	3.7.1.4 Implement employee engagement survey recommendations	Survey recommendations implemented	Level of implementation	100%	100%	100%	100%	100%	100%						HR&A	All Depts
	3.7.1.5 Implement productivity framework	Framework implemented	Level of implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	HR&A	All Depts
			Productivity rating	V. Good	Good	Good	V. Good	V. Good	V. Good	0	0	0	0	0	HR&A	All Depts
	3.7.1.6 Undertake a work environment satisfaction survey	Work Environment Satisfaction Survey undertaken	Satisfaction Index	85%	Baseline.		80%		85%	0.8		0.8		0.8	HR&A	All Depts
	3.7.1.7 Implement work environment satisfaction survey recommendations	Survey recommendations implemented	Level of implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	HR&A	All Depts
	3.7.1.8 Implement Culture Audit Report recommendations	Culture Audit Recommendations implemented	Level of implementation	100%	100%	100%	100%	100%	100%	2	2	2	2	2	HR&A	All Depts
	3.6.1.3 Develop Knowledge Management Strategy	KMS developed	Approved KMS	1		1					1.5				HR&A	All Depts
	3.6.1.4 Implement a Knowledge Management Strategy	KMS implemented	Level of implementation	100%	100%	100%	100%	100%	100%	0	0	0	0	0	HR&A	All Depts

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
3.6.1 Effective succession planning	3.6.1.1 Develop Corporation's succession plan	Succession plan developed	Approved succession plan	2	1		1			0		0			HR&A	All Depts
	3.6.1.2 Implement the developed succession plan	Succession plan implemented	Level of implementation	100%	100%	100%	100%	100%	100%	1	1	1	1	1	HR&A	All Depts
3.6.2 Strengthened human resource capabilities	3.6.2.1 Conduct Training Needs Analysis (TNA)	TNA Report	No. of TNA Reports	2	1		1			0		0			HR&A	All Depts
	3.6.2.2 Develop annual training plan	Annual Training Plan developed	Approved plan	5	1	1	1	1	1	0	0	0	0	0	HR&A	All Depts
	3.6.2.3 Implement annual training plan	Annul Training Plan implemented	Level of implementation	100%	100%	100%	100%	100%	100%	40	40	40	40	40	HR&A	All Depts
	3.6.2.4 Undertake Training Impact Assessment (TIA)	TIA undertaken	No. of TIA Reports	2			1		1			0		0	HR&A	All Depts
STRATEGIC OBJECTIVE 3.7: To enhance governance, risk and internal controls.																
3.7.2 Implementation of good corporate governance practices	3.7.2.1 Review the governance structure and develop chart of authority for the Corporation	Governance structure reviewed & chart of authority developed	Approved Governance Structure & Chart of Authority	1	1					0					Legal	Board
	3.7.2.2 Develop a governance evaluation framework aligned with governance structure	Framework developed	Approved Framework	1	1					0					Legal	Board
	3.7.2.3 Conduct annual evaluation as per the evaluation framework	Evaluation conducted	Evaluation Reports	5	1	1	1	1	1	0	0	0	0	0	Legal	Board
	3.7.2.4 Implement all board and management resolutions	Resolutions implemented	Level of implementation	100%	100%	100%	100%	100%	100%	-	0	0	0	0	All Depts	Legal

Strategy	Key Activities	Expected Output	Output Indicators	5- Year Target	Years					Budget in Ksh. (Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
3.7.2 Strengthening regulatory and policy compliance, and maintain relevant certifications.	3.7.3.1 Acquire and maintain ISO 9001:2015 certification	Certification acquired	ISO 9001:2015 certification	1	1	1	1	1	1	1	1	1	1	1	SPPM	All Depts
	3.7.3.2 Implement an automated ERM processes aligned with ISO 31000-2018 Risk Mgt Guidelines	ISO 31000-2018 compliant	Level of compliance	100%	100%	100%	100%	100%	100%	5	-	-	-	-	Risk	ICT
	3.7.3.3 Implement ESG and GRI standards	ESG and GRI standards implemented	Level of compliance	100%	100%	100%	100%	100%	100%	-	-	-	-	-	Risk	All Depts
	3.7.3.4 Acquire and maintain Sustainability Standards Certification Initiative (SSCI)	SSCI Certification	No. SSCI Certifications	1	1					5	5	5	5	5	Risk	All Depts
	3.7.3.5 Undertake mapping of all Corporation's compliance requirements	Compliance requirements mapped	Compliance Matrix	1	1					-	-	-	-	-	Risk	All Depts
	3.7.3.6 Undertake compliance monitoring and reporting	Compliance requirements monitored	No. of compliance monitoring reports	20	4	4	4	4	4	-	-	-	-	-	Risk	All Depts
3.7.3 Integrate risk management practices into all Corporation's operations.	3.7.4.1 Conduct comprehensive enterprise risk assessment	Enterprise risk assessment conducted	Enterprise Risk Assessment Report	5	1	1	1	1	1	-	-	-	-	-	Risk	All Depts
	3.7.4.2 Develop a risk mitigation plan based on enterprise risk assessment	Risk Mitigation plan developed	Approved Risk Mitigation Plan	5	1	1	1	1	1	-	-	-	-	-	Risk	All Depts
	3.7.4.3 Implement enterprise-wide risk mitigation plan	Mitigation Plan implemented	Level of implementation	100%	100%	100%	100%	100%	100%	-	-	-	-	-	Risk	All Depts
3.7.4 Strengthening internal audit and assurance	3.7.4.1 Review and implement independent assurance framework	Framework implemented	Level of implementation	100%	100%	100%	100%	100%	100%						Internal Audit	All Depts
	3.7.4.2 Automate internal audit process	Internal audit processes automated	Level of automation	100%	100%	100%	100%	100%	100%		6	1	1	1	Internal Audit	All Depts

Appendix II: Annual Action Plan

Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
				Y1	Y1	Lead	Support
KRA 1:	**Maximizing impactful development interventions;**						
Strategic Objective 1.1: To increase Investment in High Impact Sectors by kshs 25B to spur national socio-economic growth..							
1.1.1 Undertake high impact equity projects in areas of focus;	1.1.1.1 Invest in equity projects in line with the policy	Equity financing	Value in Million KSh	300	320	Investments	
1.1.2 Product innovation and improvement;	1.1.2.1 Hold sector-based consultative forums with key players/stakeholder to inform opportunities	Consultative forums held	No. of sectoral reports	7	5.6	RPI	Investments/ Risk
	1.1.2.2 Conduct sectoral market research to inform opportunities	Market research conducted	No. of sectoral research conducted	8		RPI	Investments/ Risk
1.1.3 Strategic deployment of debt investments to high impact areas	1.1.3.1 Invest debt in high impact areas of focus	Debt financing	Value in Million KSh	2,000	2000	Investments	
	1.1.3.2 Deployment of green climate financing	Funds deployed	Absorption rate	100%	0	RM/Investments	
STRATEGIC OBJECTIVE 1.2: To increase Investments in special purpose projects by kshs 25B for equitable economic growth							
1.2.1 Comprehensive approach for managing and implementing special projects	1.2.1.1 Implement special projects	Special projects implemented	Amount of deployed Special Funds mobilized	5,000	-	Investments	Finance
	1.2.1.2 Develop proposal for funding and implementing internally-driven special projects	Funded proposals developed	No. of funded proposals	1		PARTNERSHIP	INVESMENT/ FINANCE
STRATEGIC OBJECTIVE 1.3: To promote sustainability of funded enterprises through project preparation and business advisory							
1.3.1 Provision of comprehensive and tailored advisory services in chosen sectors.	1.3.1.1 Develop business advisory services operating framework	Framework developed	Approved framework	1	0	Investments	
	1.3.1.3 Undertake business support for sustainability	Sustained enterprises	% of new & existing enterprises sustained	85%	0	Investments	
	1.3.1.4 Undertake project preparation for bankability	Projects prepared for clients	No. of bankable projects prepared	2	0	Investments	
STRATEGIC OBJECTIVE 1.4: To report on Corporation's socio-economic impact							
1.4.1 Socio-economic impact reporting;	1.4.1.1 Develop social economic impact assessment framework	Framework developed	Approved framework	1	0	SPR	
	1.4.1.2 Undertake socio-economic impact reporting.	Annual socio-economic impact reports.	Number of reports.	1	4	SPR	INVESTMENT/ RISK

Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
KRA 2:	**Strategic partnerships, collaborations and networks;**						
Strategic Objective 2.1: To mobilize financial resources towards interventions in sectors with high socio- economic impact							
2.1.1 Sector-focused resource mobilization.	2.1.1.1 Develop Resource Mobilization Strategy (RMS)	RMS developed	Approved RMS	1	0	PDRM	
	2.1.1.4 Develop Joint Ventures (JVs) Strategy	JV strategy developed	Approved JV strategy	1	0	PDRM	
	2.1.1.6 Develop divestiture strategy	Divestiture strategy developed	Approved strategy	1	0.0	Investments	Finance
	2.1.1.7 Implement divestiture strategy	Strategy implemented	Level of implementation (%)	100%	4.3	Investments	Finance
2.1.2 Capital restructuring	2.1.2.1 Resolve legacy loans	Legacy loans resolved	% resolved legacy loans	100%	0	Debt Mgt	Portfolio/Legal
STRATEGIC OBJECTIVE 2.2: To enhance strategic collaborations in technical areas and knowledge transfer							
2.2.1 Enhancing strategic significance through partnerships.	2.2.1.1 Develop a Partnership Engagement Strategy (PES)	PES developed	Approved PES	1		PDRM	
	2.2.1.2 Implement PES	Strategy workplan implemented	Level of implementation (%)	100%		PDRM	Legal
	2.2.1.3 Review and implement existing MoUs to realign to new areas of focus	MoUs reviewed and implemented	Level of implementation (%)	100%		PDRM	All Depts
STRATEGIC OBJECTIVE 2.3: To effectively contribute in national economic policy direction							
2.3.1 Position the Corporation as an investment arm of the Government	2.3.1.1 Collaborate with the NT&EP to develop National Development Investment Policy (NDIP)	Policy developed	No. of policy	1	0	SPR	Legal/ Investment
	2.3.1.2 Implement NDIP	No. of investments implemented	Level of Implementation (%)	100%	0	Investments	All Depts
	2.3.1.4 Identify policy gaps and develop appropriate briefs to the Govt.	Policy briefs submitted	No. of policy briefs	1		SPR	Legal
	2.3.1.5 Implement Dividend Policy	Dividend policy implemented	Level of implementation (%)	100%		Finance	
KRA 3:	**Institutional capacity**						
Strategic Objective 3.1: To strengthen Corporation's financial sustainability;							
3.1.1 Diversification and growth of annual revenue (from 2.0 B to 3.61 B by 2028/29)	3.1.1.3 Grow existing revenue streams	Revenue generated	Amount of funded income in million KSh	1242	0	Investment	Finance
			Amount of non-funded income in million KSh	1681	0	Investment/ Admin	Finance
3.1.2 Effective realization of all income.	3.1.2.1 Collect income from all revenue streams	Income collected	% of revenue realized as cash	90%	0	Investments	Finance
	3.1.2.2 Collect arrears from all investments	Reduced arrears	% of reduction in arrears	15%	0	Investments/ Admin	Finance/ICT/ Legal

Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
3.1.3 Maintaining quality asset portfolio	3.1.3.1 Reduce NPL to 15%	PAR reduced	% of PAR	45%	0	Investments	Finance/Legal
	3.1.3.2 Attain an average return of 5% on equity investment	Return on equity investment attained	% of return	5%	0	Investment	
	3.1.3.3 Optimize idle assets	Assets optimized	No. of assets optimized	1	250	Investment/ PDRM	
	3.1.3.4 Undertake monitoring and corrective actions for sustainability of funded enterprises	Sustainable funded enterprises	% of sustainable enterprises	80%	0	Investment	
3.1.4 Optimization of costs to revenue ratio (from 71% to 50% by 2028/29)	3.1.4.1 Undertake Cost Analysis and benchmarking	Cost analysis and benchmarking undertaken	Report on cost analysis and benchmarking	1	2	Finance	
	3.1.4.2 Develop and implement cost-containment strategy.	Cost containment strategy and implementation	Level of implementation	100%	0	Finance	
	3.1.4.3 Automate cost management process.	Cost management process automated.	Level of automation	50%	0	Finance	ICT
STRATEGIC OBJECTIVE 3.2: To enhance internal operational efficiency in order to achieve excellent customer experience							
3.2.1 Optimization of internal business processes.	3.2.1.1 Identify Business Processes for reengineering	Processes identified for BPR	BPR Report	1	-	SPPM	All Depts
	3.2.1.2 Undertake Business Process Reengineering as identified	BPR undertaken	% of processes reengineered	100%	4	SPPM	All Depts
3.2.2 Effective management of legal risk exposure.	3.2.2.1 Timely processing of security perfection and legal documentation	Security perfection and legal documentation timely processed	Compliance with timelines	1		Legal	All Depts
	3.2.2.2 Manage contracts effectively	Contracts processed	Compliance with contract processing timelines	1	-	Legal	All Depts
3.2.3 Improve customer satisfaction rating	3.2.3.1 Establish and implement a robust customer feedback mechanism.	Approved customer feedback mechanism and implementation plan.	% of plan implementation	100%		Corp Com/Cust Exp.	All Depts
	3.2.3.2. Conduct satisfaction surveys.	Survey report.	Customer satisfaction rating.	Baseline.	2	Corp Com/Cust Exp.	All Depts
STRATEGIC OBJECTIVE 3.3: To promote effective communication and brand visibility.							
3.3.1 Enhancement of stakeholder engagements and satisfaction;	3.3.1.1 Review Communication Strategy (Internal and External)	Communication strategy reviewed	Approved strategy	100%	0	Corp Com	
	3.3.1.2 Implement the reviewed Communication Strategy	Strategy implemented	Level of implementation	100%	0	Corp Com	ICT
	3.3.1.3 Review and revamp customer portal	Customer portal revamped	Level of implementation	100%	0	Corp Com	ICT
	3.3.1.4 Review and revamp CRM	CRM reviewed and revamped	Level of implementation	100%		Corp Com	ICT

Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
3.3.2 Enhancement of brand awareness/equity;	3.3.2.1 Develop brand strategy	Strategy developed	Approved strategy	100%	1.5	Corp Com	ICT
	3.3.2.2 Implement brand strategy	Strategy implemented	Awareness index	20%		Corp Com	ICT
	3.3.2.3 Undertake brand equity audit	Brand equity audit undertaken	Brand equity index	Baseline.	5	Corp Com	SPR
	3.3.2.4 Redesign the website	Interactive redesigned website	Website high performance metrics	100%	5	Corp Com	ICT
STRATEGIC OBJECTIVE 3.4: To mainstream research and institutionalize innovation							
3.4.1 Enhance utilization of research and innovation	3.4.1.1 Implement research findings to inform decision-making	Research findings implemented	% of research findings implemented	100%	0	All Depts	SPRI
	3.4.1.2 Develop Knowledge Management Framework (KMF)	KMF Framework developed	Approved Framework	1		SPRI	All Depts
	3.4.1.3 Establish Knowledge Management Repository (KMR)	KMR established	KMR repository	1	5	SPRI	ICT
	3.4.2.5 Facilitate innovation pipeline	Innovation pipeline facilitated	No. of ideas progressed to commercialization	1	10	SPRI/PDRM	All Depts
STRATEGIC OBJECTIVE 3.5: To implement digital transformations and adopt a data-driven decision-making approach.							
3.5.1 Optimize, integrate, and leverage information and technology solutions and competencies.	3.5.1.1 Conduct Corporation's digital & AI needs assessment	Needs assessment conducted	Approved report	1	-	ICT	All Depts
	3.5.1.2 Implement Corporation's digital transformation & AI needs assessment recommendations	Digital transformation & AI needs assessment recommendations implemented	% of recommendations implemented	100%	2	ICT	All Depts
	3.5.1.3 Automate key Corporation's processes as per BPR.	Key processes automated	% of processes automated	100%	2	SPPM/ICT	All Depts
	3.5.1.4 Implement an integrated ERP system	Integrated ERP system and workflow management implemented	Level of utilization	100%	-	ICT	All Depts
	3.5.1.5 Upgrade cybersecurity management systems	Cybersecurity management systems upgraded	Level of implementation	100%	-	ICT	All Depts
	3.5.1.6 Digitize Corporation's records	EDMS in place	Level of digitization	100%	5	HR&A	ICT
	3.5.1.7 Implement end-to-end data analytic tools	Data analytic tools implemented	Level of implementation	100%		ICT	All Depts

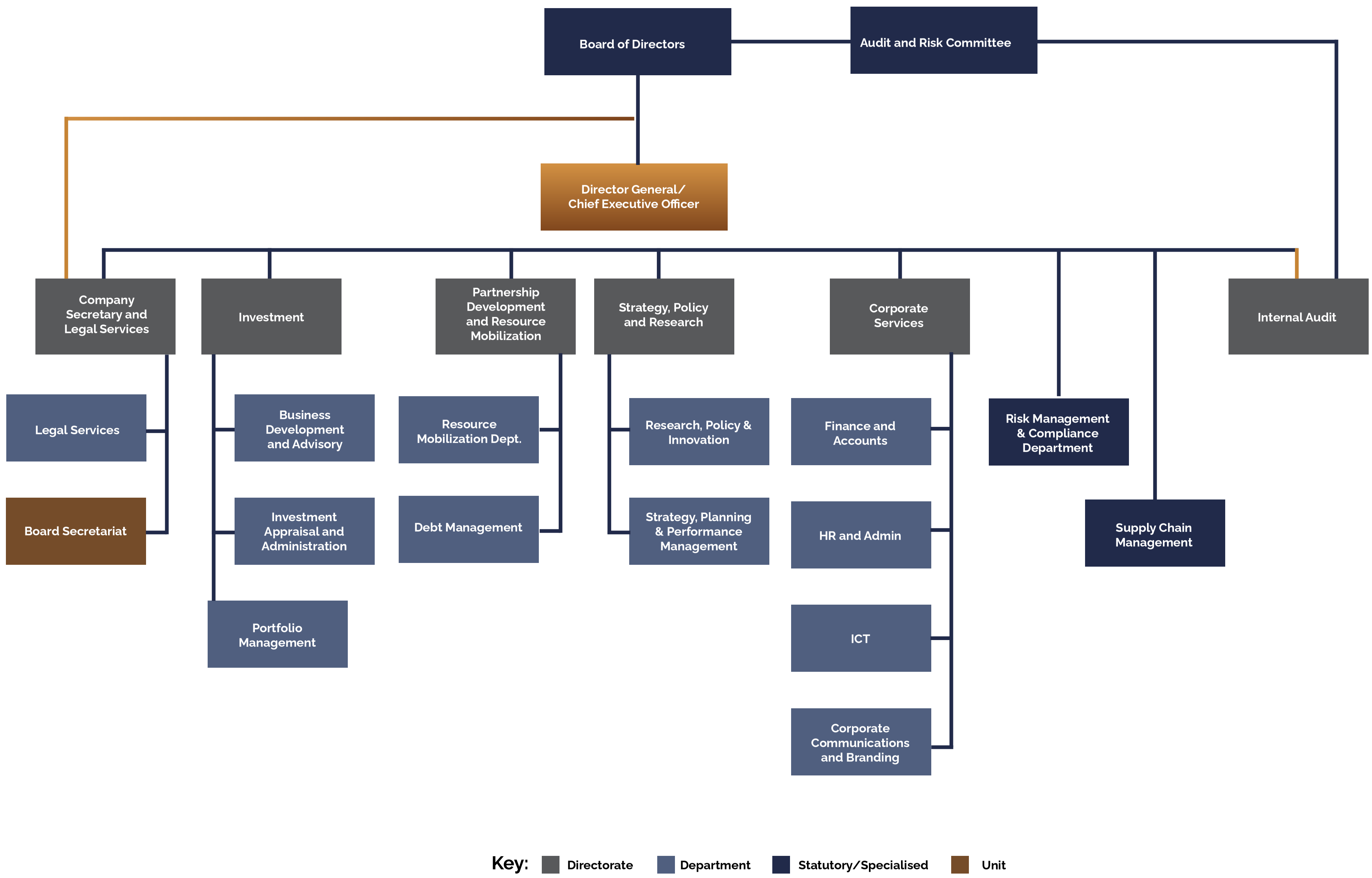
Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
STRATEGIC OBJECTIVE 3.6: To attract and retain productive human capital							
3.6.1 Strengthening human capital management and experience.	3.7.1.1 Implement the organizational review report recommendations	Organizational review report action plan developed & approved	Approved action plan	1	0	HR&A	All Depts
		Organizational review report action plan implemented	Implementation level	100%	15	HR&A	All Depts
	3.7.1.2 Develop a strategy to attract and retain critical skills and competencies	Strategy developed	Approved strategy	1	0	HR&A	All Depts
		Strategy implemented	Implementation level	100%		HR&A	All Depts
	3.7.1.3 Conduct employee engagement survey.	Employee engagement survey conducted	No. of surveys	1	0.8	HR&A	All Depts
			Engagement Index	Baseline.	0	HR&A	All Depts
	3.7.1.4 Implement employee engagement survey recommendations	Survey recommendations implemented	Level of implementation	100%		HR&A	All Depts
	3.7.1.5 Implement productivity framework	Framework implemented	Level of implementation	100%	0	HR&A	All Depts
			Productivity rating	Good	0	HR&A	All Depts
	3.7.1.6 Undertake a work environment satisfaction survey	Work Environment Satisfaction Survey undertaken	Satisfaction Index	Baseline.	0.8	HR&A	All Depts
	3.7.1.7 Implement work environment satisfaction survey recommendations	Survey recommendations implemented	Level of implementation	100%	0	HR&A	All Depts
	3.7.1.8 Implement Culture Audit Report recommandations	Culture Audit Recommendations implemented	Level of implementation	100%	2	HR&A	All Depts
	3.6.1.4 Implement a Knowledge Management Strategy	KMS implemented	Level of implementation	100%	0	HR&A	All Depts
3.6.1 Effective succession planning	3.6.1.1 Develop Corporation's succession plan	Succession plan developed	Approved succession plan	1	0	HR&A	All Depts
	3.6.1.2 Implement the developed succession plan	Succession plan implemented	Level of implementation	100%	1	HR&A	All Depts
3.6.2 Strengthened human resource capabilities	3.6.2.1 Conduct Training Needs Analysis (TNA)	TNA Report	No. of TNA Reports	1	0	HR&A	All Depts
	3.6.2.2 Develop annual training plan	Annual Training Plan developed	Approved plan	1	0	HR&A	All Depts
	3.6.2.3 Implement annual training plan	Annul Training Plan implemented	Level of implementation	100%	40	HR&A	All Depts

Strategy	Key Activities	Expected Output	Output Indicators	Years	Budget in Ksh. (Millions)	Responsibility	
STRATEGIC OBJECTIVE 3.7: To enhance governance, risk and internal controls.							
3.7.2 Implementation of good corporate governance practices	3.7.2.1 Review the governance structure and develop chart of authority for the Corporation	Governance structure reviewed & chart of authority developed	Approved Governance Structure & Chart of Authority	1	0	Legal	Board
	3.7.2.2 Develop a governance evaluation framework aligned with governance structure	Framework developed	Approved Framework	1	0	Legal	Board
	3.7.2.3 Conduct annual evaluation as per the evaluation framework	Evaluation conducted	Evaluation Reports	1	0	Legal	Board
	3.7.2.4 Implement all board and management resolutions	Resolutions implemented	Level of implementation	100%	-	All Depts	Legal
3.7.2 Strengthening regulatory and policy compliance, and maintain relevant certifications.	3.7.3.1 Acquire and maintain ISO 9001:2015 certification	Certification acquired	ISO 9001:2015 certification	1	1	SPPM	All Depts
	3.7.3.2 Implement an automated ERM processes aligned with ISO 31000-2018 Risk Mgt Guidelines	ISO 31000-2018 compliant	Level of compliance	100%	5	Risk	ICT
	3.7.3.3 Implement ESG and GRI standards	ESG and GRI standards implemented	Level of compliance	100%	-	Risk	All Depts
	3.7.3.4 Acquire and maintain Sustainability Standards Certification Initiative (SSCI)	SSCI Certification	No. SSCI Certifications	1	5	Risk	All Depts
	3.7.3.5 Undertake mapping of all Corporation's compliance requirements	Compliance requirements mapped	Compliance Matrix	1	-	Risk	All Depts
	3.7.3.6 Undertake compliance monitoring and reporting	Compliance requirements monitored	No. of compliance monitoring reports	4	-	Risk	All Depts
3.7.3 Integrate risk management practices into all Corporation's operations.	3.7.4.1 Conduct comprehensive enterprise risk assessment	Enterprise risk assessment conducted	Enterprise Risk Assessment Report	1	-	Risk	All Depts
	3.7.4.2 Develop a risk mitigation plan based on enterprise risk assessment	Risk Mitigation plan developed	Approved Risk Mitigation Plan	1	-	Risk	All Depts
	3.7.4.3 Implement enterprise-wide risk mitigation plan	Mitigation Plan implemented	Level of implementation	100%	-	Risk	All Depts
3.7.4 Strengthening internal audit and assurance	3.7.4.1 Review and implement independent assurance framework	Framework implemented	Level of implementation	100%		Internal Audit	All Depts
	3.7.4.2 Automate internal audit process	Internal audit processes automated	Level of automation	100%		Internal Audit	All Depts

Appendix III: Outcome Performance Matrix

SN	Key Result Area	Outcome	Outcome Indicators	Projections	
				Mid-Term	End-Term
1.0	**Maximizing impactful development interventions**	Effective and sustainable interventions that transform Kenya's socio-economic landscape	Investment in projects with high impact	19.80 B	23.68 B
			No. jobs created and sustained	58,640	118,714
			Contribution to GDP in KSh	8.04 B	16.28 B
			Trees planted	1.0 M	2.5 M
2.0	**Strategic partnerships, collaborations and networks**	Sustainable technical, financial and channel leverage	Funds mobilized and deployed	10.0 B	10.0 B
			MoUs implemented	100%	100%
			Policy briefs submitted	2	5
3.0	**Institutional Capacity**	Sustainable organization	Revenue realized	2.974B	3.611B
			Asset quality	35%	15%
			Customer satisfaction index	85%	90%
			Brand Equity	60%	100%
			Innovations	2	5
			Engagement index	80%	85%
			Productivity Index	Good	V. Good
			Work Environment Satisfaction index	80%	85%
			SSCI Certification	1	1

Appendix IV: Current Organogram



Appendix V: Strategic Theme Teams

Team	KRAs	Members	Chairing	Overall Function
Team 1	Maximizing Impactful Development Interventions	• DD – BD • DD – Appraisal • DD – Portfolio management • DD – Research • DD - HR • DD - Strategy • DD - ICT	• DD Research • DD Portfolio management	• Critically guide on high-impact areas investment areas, deploy KDC funding to them and continuously monitor social economic impact while undertaking. • Additionally, coordinate the generation of an annual work plan related to this KRA. • Sustainably ensure generation of revenues and timely collections of all due debts, manage cost and resource mobilize concessionary. • Additionally, coordinate the generation of an annual work plan related to this KRA
Team 2	Partnerships, collaborations, and networks;	• DD – Partnerships • DD – Business Development • DD - Legal • DD - Strategy	• Director – Strategy • Director - partnerships	• Map, facilitate, and nurture strategic alliances, cooperative endeavours, and networking opportunities with various stakeholders who are key to the realization of KDCs strategic direction.
Team 3	Institutional capacity.	• DD – ICT • DD – Risk • DD- Legal • DD – Communication • DD - HRAD • D - Investment • DD - Strategy	• Director – Strategy • Director of corporate services	• Optimizing organizational processes and workflows to achieve maximum output with minimal input, ensuring that resources are utilized efficiently and effectively to meet strategic objectives. • Enhancing the institution's internal capabilities, such as leadership, governance structures and talent management.

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