REPUBLIC OF KENYA

Powering Industrialization: Kuwezesha Viwanda

KENYA INDUSTRIAL ESTATES

STRATEGIC PLAN 2023-2027

(Reviewed Draft– June, 2026)

Theme: Growth, Sustainability & Impact

KENYA VISION 2030

TOWARDS A GLOBALLY COMPETITIVE AND PROSPEROUS NATION

Vision, Mission and Core Values

Vision: *A thriving SME Ecosystem in Kenya*

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

Core Values*:*

Collaboration
Equity
Innovation & Adaptability
Integrity
Transparency & Accountability
Professionalism

Foreword

The Kenya Industrial Estates (KIE) Reviewed Strategic Plan 2023–2027 is anchored on the achievements, challenges, lessons learnt, and emerging priorities identified during the implementation of the first phase of the Strategic Plan 2023–2027. The review process provided an opportunity for the organization to assess progress made towards realization of its mandate, evaluate the relevance of its strategic interventions, and align its priorities with the evolving national, regional, and global development agenda. The reviewed Plan reaffirms KIE's commitment to promoting industrialization in Kenya through the development and empowerment of Micro, Small and Medium Enterprises (MSMEs).

The mid-term review was undertaken against a rapidly changing operating environment characterized by economic uncertainties, technological advancements, climate change concerns, evolving customer expectations, and dynamic policy and regulatory frameworks. The review therefore enabled the organization to re-examine its strategic direction, strengthen institutional resilience, and identify opportunities for enhancing service delivery and operational efficiency.

The Reviewed Strategic Plan 2023–2027 remains aligned to the Constitution of Kenya 2010, Kenya Vision 2030 and its Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), East African Community Vision 2050, African Union Agenda 2063, and the United Nations Sustainable Development Goals (SDGs). In particular, the Plan positions KIE to play a more transformative role in supporting the Government's agenda on manufacturing, industrialization, job creation, value addition, entrepreneurship development, and inclusive economic growth.

The organization will continue implementing strategic interventions aimed at increasing access to affordable credit for SMEs, expanding industrial incubation infrastructure, strengthening entrepreneurship capacity development, facilitating market and technology linkages, and enhancing institutional capacity. Special emphasis will also be placed on digital transformation, innovation, customer experience, financial sustainability, environmental sustainability, and strengthening partnerships with both public and private sector stakeholders.

KIE recognizes that SMEs remain central to Kenya's socio-economic transformation through their contribution to employment creation, manufacturing, innovation, and wealth generation. However, the sector continues to face challenges including limited access to affordable financing, inadequate industrial workspaces, technological gaps, and market access constraints. The reviewed Strategic Plan therefore seeks to address these challenges through focused and integrated interventions that will accelerate SME growth and sustainability.

The Board of Directors remains committed to providing strategic oversight and policy direction to ensure successful implementation of this Reviewed Strategic Plan. The Board will continue supporting Management in mobilizing the necessary resources, strengthening governance systems, and fostering strategic partnerships that will enable KIE to effectively execute its mandate and deliver value to stakeholders.

I therefore call upon all stakeholders including Government Ministries and Agencies, County Governments, Development Partners, Financial Institutions, the Private Sector, and SMEs to continue collaborating with KIE in realizing the aspirations of this Strategic Plan and in building a thriving SME ecosystem in Kenya.

Hon. Sylvanus Maritim
Chairperson
KENYA INDUSTRIAL ESTATES

Acknowledgement

The implementation of the Kenya Industrial Estates Strategic Plan 2023–2027 has registered notable progress in advancing the organization's mandate of promoting industrialization through support to Micro, Small and Medium Enterprises (MSMEs). Over the first phase of implementation, KIE has continued to strengthen its role in providing affordable credit, incubation services, entrepreneurship capacity development, and market linkages aimed at accelerating SME growth, sustainability, jobs creation, and wealth generation.

During the implementation period, the organization achieved significant milestones including growth of the loan portfolio, expansion of entrepreneurship capacity development programmes, facilitation of market linkages for MSMEs, strengthening of strategic partnerships, and improvement in organizational performance. The organization also enhanced collaborations with development partners and other stakeholders in supporting SMEs across various value chains aligned to the Government's Bottom-Up Economic Transformation Agenda (BETA).

The mid-term review of the Strategic Plan 2023–2027 was undertaken to assess the level of implementation, identify emerging issues, evaluate organizational performance, and align the Plan with the changing operating environment and evolving development priorities. The review process further enabled the organization to assess its institutional capacity, resource requirements, operational effectiveness, and strategic risks in implementation of the remaining plan period.

The Reviewed Strategic Plan continues to focus on KIE's four Key Result Areas (KRAs) namely:

1. Credit to SMEs;
2. Industrial Estates and Incubation Services;
3. Entrepreneurship Capacity Development and Linkages; and
4. Institutional Capacity.

In implementing this Strategic Plan, KIE will continue strengthening its institutional capacity through enhanced digitization of business processes, prudent financial management, staff capacity development, improved customer experience, innovation, and strategic resource mobilization. The organization will also continue embracing environmental sustainability, good corporate governance, and stakeholder collaboration in execution of its mandate.

The successful review of this Strategic Plan was made possible through the collective commitment, participation, and support of various stakeholders who contributed their time, expertise, and valuable insights throughout the review process.

I wish to sincerely appreciate the Board of Directors for providing strategic leadership, policy direction, and oversight during the review exercise. Their guidance and commitment were instrumental in shaping the strategic direction of

the organization and ensuring alignment with KIE’s mandate and national development priorities.
I also wish to acknowledge the consulting team from Wiselead Consultants Limited for their technical expertise, professionalism, and facilitation of the review process. Further appreciation goes to the KIE Management team and staff for their dedication, active participation, technical input, and invaluable contributions that enriched the review and development of this Strategic Plan.
Special appreciation is extended to our stakeholders including the National Treasury, Government Ministries and Agencies, County Governments, Development Partners, Financial Institutions, Industry Associations, Customers, and the Private Sector for their continued collaboration, support, and constructive feedback. Their contributions greatly enriched the review process and strengthened the strategic focus of the organization.

As we move into the remaining implementation period of the Strategic Plan 2023–2027, I call upon all stakeholders to remain committed and collaborative in supporting KIE to realize its vision of “A thriving SME ecosystem in Kenya.”

Nelson M. Kwamini
Managing Director
KENYA INDUSTRIAL ESTATES

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

KEY CONCEPTS AND TERMINOLOGIES

Baseline: An analysis describing the initial stages of an indicator before the start of a project or programme, against which progress can be assessed or comparisons made.

Entrepreneurship: The process of identifying and pursuing business opportunities through innovation and transforming ideas into viable enterprises.

Government Owned Enterprises (GoEs): These are business entities created or acquired by a government to partake in commercial activities on its behalf. The state holds a majority stake (typically over 50%), allowing the enterprise to operate on market principles while pursuing strategic public objectives.

Incubation: An integrated support programme that provides SMEs with affordable workspaces, shared utilities and business support services, financial assistance, and technical capacity development to enhance enterprise growth and sustainability.

Indicator: A sign of progress that results from a planned activity measuring a change in a situation and confirms progress towards achievement of a specific result. This is applied in measuring impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

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

Key Result Areas: This is the outline of the Organization's key areas of focus to enable execution of its mandate.

Outcome Indicator: This is a specific, observable and measurable characteristic or change that will represent the achievement of an outcome and includes qualitative and quantitative measures.

Outcome: This is the immediate results generated relative to the objective of the intervention and describes the actual change as a result of an intervention output in the medium to long term

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

Performance Indicator: A measure evaluating the success of a particular planned activity.

Programme: A grouping of similar projects performed by the Organization to achieve its strategic objectives.

Strategic Goal: General qualitative statements of what an organization is hoping to achieve in the long-term.

Strategic Issue: This is the fundamental policy issue, critical challenge/gap or opportunity that is to be addressed or adopted by the Organization in order to achieve its vision.

Strategic Objective: This is the Organization's Commitments to accomplish in order to achieve strategic goals.

Target: A result to be achieved within a given timeframe through application of available resources.

Value Chain: The interconnected activities and processes involved in creating and delivering value to customers from production to the market.

ACRONYMS AND ABBREVIATIONS

AU	Africa Union
BCP	Business Continuity Plan
BETA	Bottom-up Economic Transformation Agenda
BoD	Board of Directors
BPO	Business Process Outsourcing
BPR	Business Process Re-engineering
CSR	Corporate Social Responsibility
CoK	Constitution of Kenya, 2010
EAC	East African Community
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental and Social Governance
GDP	Gross Domestic Product
GoE	Government Owned Enterprises
GoK	Government of Kenya
HR	Human Resource
ICDC	Industrial and Commercial Development Corporation
ICT	Information and Communication Technology
ISO	International Organization for Standardization
KAM	Kenya Association of Manufacturers
KEBS	Kenya Bureau of Standards
KEPSA	Kenya Private Sector Association
KES	Kenya Shillings
KIE	Kenya Industrial Estates
KIEP	Kenya Industry and Entrepreneurship Project
KIPI	Kenya Industrial Property Institute
KIRDI	Kenya Industrial Research and Development Institute
KPI	Key Performance Indicators
KRA	Key Result Area
LAN	Local Area Network
M&E	Monitoring and Evaluation
MER&L	Monitoring, Evaluation, Reporting and Learning
MDAs	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium Enterprises
MTP	Medium Term Plan
MTER	Mid Term Evaluation and Review
MTR	Mid-Term Review
NPLs	Non-Performing Loans

NSP	National Spatial Plan
PAR	Portfolio at Risk
PBC	Performance Based Contracting
PC	Performance Contract
PESTELE	Political Economic Social Technological Environmental Legal Ethical
PFM Act	Public Finance Management Act
PMS	Performance Management System
PPP	Public Private Partnership
PSOs	Public Service Obligations
QMS	Quality Management System
RAC	Risk Appraisal Committee
SDGs	Sustainable Development Goals
SMART	Specific Measurable Achievable Realistic and Timely
SME	Small and Medium Enterprises
SO	Strategic Objective
SP	Strategic Plan
STI	Science Technology and Innovation
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAC	Technical Appraisal Committee
TAT	Turn-Around Time
TNA	Training Needs Assessment
ToRs	Terms of Reference
TQM	Total Quality Management
UHC	Universal Health Care
WAN	Wide Area Network

EXECUTIVE SUMMARY

The Reviewed Kenya Industrial Estates (KIE) Strategic Plan 2023–2027 presents the organization's renewed strategic direction towards fostering a thriving SME ecosystem in Kenya through enhanced support to Micro, Small and Medium Enterprises (MSMEs). The Plan takes cognizance of the dynamic operating environment and the need for efficient, innovative, and sustainable service delivery in execution of KIE's mandate of promoting industrialization, entrepreneurship development, job creation, and wealth generation. The Strategic Plan 2023–2027, developed in FY 2022/2023, was subjected to a Mid-Term Review (MTR) in FY 2025/2026 to assess progress, emerging issues, and strategic priorities for the remaining implementation period.

The Reviewed Strategic Plan 2023–2027 is aligned to the Constitution of Kenya 2010, Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), African Union Agenda 2063, East African Community Vision 2050, and the United Nations Sustainable Development Goals (SDGs). The Plan also aligns with relevant national policies, legal frameworks, and sector reforms aimed at accelerating industrialization, manufacturing, financial inclusion, and SME development in Kenya.

The Mid-Term Review assessed KIE's efficiency and effectiveness in implementing its mandate within a rapidly changing socio-economic, technological, legal, and environmental landscape. The review enabled the organization to evaluate its performance during the first phase of implementation of the Strategic Plan 2023–2027, reassess its resource requirements, review strategic priorities, align programmes with Government development agenda, and address emerging opportunities and challenges affecting the SME sector. The review further informed strategic adjustments aimed at strengthening institutional resilience, improving service delivery, enhancing operational efficiency, and increasing organizational impact.

The Reviewed Strategic Plan 2023–2027 provides the framework through which KIE will pursue its vision of "A thriving SME ecosystem in Kenya" through provision of affordable credit, industrial incubation services, entrepreneurship capacity development, and facilitation of market and technology linkages for MSMEs. The Plan is structured into eight chapters as summarized below:
Chapter One provides the strategic planning context and highlights the linkage between the Strategic Plan and the international, regional, and national development agenda, including the legal and policy framework guiding KIE operations.
Chapter Two outlines KIE's mandate, vision, mission, strategic goals, core values, and Quality Policy Statement that guide implementation of the Strategic Plan.
Chapter Three presents the situational analysis covering the external and internal operating environment, industry and market analysis, organizational performance review, key achievements, challenges, lessons learnt, and stakeholder analysis.

Chapter Four identifies the strategic issues, strategic goals, and Key Result Areas (KRAs) that form the foundation of the organization's strategic direction. The Plan is anchored on four Key Result Areas namely:

1. Credit to SMEs;
2. Industrial Estates and Incubation Services;
3. Entrepreneurship Capacity Development and Linkages; and
4. Institutional Capacity.

Chapter Five outlines the strategic objectives, outcomes, and strategies that KIE will implement in order to achieve its strategic goals and fulfil its mandate effectively.

Chapter Six presents the implementation and coordination framework, including the institutional arrangements, implementation matrix, risk management framework, and mitigation measures necessary for successful execution of the Strategic Plan.

Chapter Seven provides the financial resource requirements for implementation of the Reviewed Strategic Plan 2023–2027, resource mobilization strategies, and funding mechanisms aimed at ensuring financial sustainability and effective programme delivery.

Chapter Eight outlines the monitoring, evaluation, reporting, and learning framework that will be used to track implementation progress, assess performance, and facilitate continuous improvement during the implementation period.

The Reviewed Strategic Plan 2023–2027 therefore provides a comprehensive roadmap for strengthening KIE's contribution towards industrialization, SME growth, employment creation, and inclusive economic transformation in Kenya.

CHAPTER ONE: INTRODUCTION

Overview

This chapter presents the strategic planning context and underscores the importance of strategy in guiding Kenya Industrial Estates (KIE) towards effective execution of its mandate and realization of its vision. It outlines the rationale for the Reviewed Strategic Plan 2023–2027 and demonstrates how the Plan aligns KIE's strategic priorities with the prevailing global, regional, and national development agenda, as well as the existing constitutional, legal, and policy framework.

The chapter further highlights KIE's role in contributing towards the achievement of key development frameworks including the United Nations Sustainable Development Goals (SDGs), African Union Agenda 2063, East African Community Vision 2050, Kenya Vision 2030, the Fourth Medium Term Plan (MTP IV), and the Bottom-Up Economic Transformation Agenda (BETA).

In addition, the chapter provides a brief historical and institutional background of KIE, outlines the organization's operating context, and describes the methodology and consultative process used in the review and development of the Strategic Plan.

1.1 Strategy as an Imperative for Organizational Success

The Kenya Industrial Estates (KIE) recognizes that strategic planning is fundamental to the effective execution of its mandate as a State Corporation established under its legal and policy framework. This Strategic Plan 2023–2027 serves as the primary instrument for guiding the organization in fulfilling its mandate of promoting industrialization in Kenya through the development and empowerment of Small and Medium Enterprises (SMEs).

The strategies outlined in this Plan are informed by a comprehensive review of past performance, stakeholder engagement, and alignment with key international, regional, and national development frameworks, including Vision 2030, the Fourth Medium Term Plan (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA), the East African Community Vision 2050, the African Union Agenda 2063, and the Sustainable Development Goals (SDGs). This ensures that KIE remains responsive to both internal priorities and the evolving external environment.

KIE operates in a dynamic and competitive environment characterized by rapid technological change, evolving SME needs, and shifting economic conditions. In this regard, effective strategic planning is essential to enhance institutional agility, strengthen internal systems and processes, and optimize human capital performance in order to deliver on its mandate efficiently and sustainably.

Over its historical evolution since establishment in 1967, KIE has continuously refined its strategic focus through successive planning cycles. The 2023–2027 Strategic Plan builds on lessons learned from previous implementation periods, including achievements in

SME financing, incubation, entrepreneurship development, and market linkages. It also incorporates emerging priorities such as digital transformation, environmental sustainability, and institutional strengthening.

1.2 The Context of Strategic Planning

The formulation and review of the KIE Strategic Plan 2023–2027 is anchored on a structured alignment to multi-layered development frameworks at global, continental, regional, and national levels. This alignment ensures that the organization's strategic direction remains coherent with evolving development priorities while reinforcing its mandate of promoting industrialization through SME development in Kenya.

The Plan is therefore positioned within a broader development architecture comprising the United Nations 2030 Agenda for Sustainable Development (SDGs), the African Union Agenda 2063, the East African Community (EAC) Vision 2050, and Kenya's national development frameworks including Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the Fourth Medium-Term Plan (MTP IV). Collectively, these frameworks emphasize inclusive growth, structural economic transformation, industrialization, and sustainability as the cornerstone of long-term development.

Within this context, KIE's strategic role is to translate these high-level development aspirations into actionable enterprise-level interventions that accelerate SME growth, deepen industrial value addition, and enhance Kenya's competitiveness.

1.2.1 United Nations 2030 Agenda for Sustainable Development

The Government of Kenya remains committed to the full implementation of the United Nations Sustainable Development Goals (SDGs), which provide a universal framework for balancing economic progress, social inclusion, and environmental sustainability.

KIE's mandate directly contributes to selected SDGs that are most aligned to SME development and industrial transformation. In particular, the institution plays a catalytic role in advancing Goal 8 and Goal 9 through targeted interventions in enterprise development, industrial incubation, and access to finance as highlighted in Table 1.1.

Table 1.1: KIE's Alignment to UN SDGs 2030

Sustainable Development Goal	KIE Strategic Contribution
Goal 8: Decent Work and Economic Growth	KIE advances inclusive and sustainable economic growth by nurturing SMEs as engines of job creation and wealth generation. This is achieved through provision of affordable credit, incubation support, entrepreneurship capacity building, and market linkages, thereby strengthening SME productivity and employment absorption capacity.

Sustainable Development Goal	KIE Strategic Contribution
Goal 9: Industry, Innovation and Infrastructure	KIE contributes to inclusive industrialization by enabling SMEs to access appropriate industrial workspaces, modern technologies, and production infrastructure. The institution further supports innovation through enterprise development services, technology adoption, and facilitation of access to markets, inputs, and value chain linkages.

Through these interventions, KIE operationalizes the SDGs at enterprise level by embedding sustainability, inclusivity, and productivity within SME development pathways.

1.2.2 Africa Agenda 2063

Agenda 2063 provides Africa's long-term transformation blueprint anchored on seven aspirations, with a strong emphasis on inclusive growth, industrialization, and people-centered development. KIE's strategic positioning aligns primarily with **Aspiration 1: A Prosperous Africa based on Inclusive Growth and Sustainable Development**, which prioritizes industrialization, value addition, and science, technology, and innovation as key drivers of economic transformation.

Within this framework, KIE contributes by strengthening the SME industrial base through financing, incubation, and enterprise development support. This enables SMEs to participate effectively in manufacturing and value addition, thereby supporting structural transformation, job creation, and increased competitiveness of Kenya within the continental and global economy.

1.2.3 East African Community (EAC) Vision 2050

The EAC Vision 2050 sets out a transformation agenda for building a competitive, integrated, and prosperous East African region. Industrialization is identified as a core pillar for structural transformation and enhanced intra-regional trade.

A central feature of this vision is the recognition of SMEs as critical drivers of employment, innovation, and regional industrial diversification.

KIE's strategic contribution is therefore focused on strengthening SME competitiveness within the manufacturing and value addition space, enabling enterprises to transition into scalable production systems that can participate in regional value chains and export markets. Through this, KIE supports the broader EAC objective of industrial integration and economic convergence.

1.2.4 Constitution of Kenya

The Strategic Plan is grounded in the Constitution of Kenya, 2010, which provides the overarching governance framework for all public institutions.

In particular, KIE is guided by Article 10(2)(d), which emphasizes sustainable development as a national value and principle of governance. In this regard, the institution is committed to ensuring that its operations uphold transparency, accountability, equity, and prudent use of public resources while advancing sustainable socio-economic development.

1.2.5 Kenya Vision 2030, BETA and Fourth Medium Term Plan

(i) Kenya Vision 2030

Kenya Vision 2030 provides the country's long-term development blueprint aimed at transforming Kenya into a newly industrializing, middle-income economy.

KIE contributes primarily to the economic pillar, which emphasizes manufacturing, value addition, and job creation as drivers of economic growth. Through SME financing, industrial incubation, and entrepreneurship development, KIE strengthens the manufacturing ecosystem and enhances Kenya's industrial competitiveness.

(ii) Bottom-up Economic Transformation Agenda (BETA)

The Bottom-Up Economic Transformation Agenda (BETA) represents the current national development paradigm focused on inclusive growth, economic turnaround, and expansion of productive sectors. KIE is strategically positioned within the MSME transformation pillar, where it plays a catalytic role in expanding access to finance, industrial infrastructure, skills development, and market linkages for SMEs.

Across the broader BETA framework, KIE interventions support multiple thematic areas as summarized in Table 1.2

Table 1.2: KIE's Alignment to the BETA Framework

BETA Thematic Areas	KIE's Strategy in SP 2023-2027
MSME Development	Financing, incubation, and enterprise acceleration to strengthen SME productivity and sustainability
Agricultural Transformation	Support for agro-processing and value addition in priority value chains such as dairy, leather, textiles, and edible oils
Climate Change and Environmental Sustainability	Promotion of green enterprise development and climate-resilient production systems
Universal Health Coverage (UHC)	Support to pharmaceutical manufacturing, health commodities production, and related supply chains
Digital Superhighway	Facilitation of SME digital adoption in operations, production systems, and market access
Housing and Settlement	Support for SMEs in construction materials manufacturing and related industrial value chains

Through these interventions, KIE serves as a key implementation instrument for translating BETA priorities into enterprise-level outcomes

(iii) Fourth Medium Term Plan (MTP IV)

The Fourth Medium Term Plan (MTP IV) operationalizes Kenya Vision 2030 under the BETA framework, with a strong emphasis on value chain development and industrial transformation.

Within this framework, KIE is strategically positioned to support priority value chains—particularly edible oils and agro-processing—through provision of industrial infrastructure, SME financing, and enterprise development support.

Beyond this specific mandate area, KIE contributes broadly to manufacturing and value addition ecosystems across multiple value chains, thereby strengthening Kenya's industrial base, enhancing export competitiveness, and accelerating job creation.

(iv) Kenya National Spatial Plan (NSP) 2015–2045

The Kenya National Spatial Plan (NSP) 2015–2045 provides the long-term geospatial development framework aimed at achieving balanced, inclusive, and sustainable national development. At the mid-term review stage of the KIE Strategic Plan, the NSP remains a critical reference point in reinforcing spatial equity in access to industrial infrastructure, innovation ecosystems, and economic opportunities.

A key development challenge identified under the NSP is the persistent spatial imbalance in infrastructure distribution, which continues to influence disparities in industrial growth, access to markets, and regional competitiveness. For KIE, this underscores the need to strengthen its presence and service delivery reach across all regions in support of equitable industrial development and decentralised enterprise growth.

The NSP further emphasizes the importance of integrated development corridors linking urban centres, industrial zones, and underserved regions, supported by multi-modal infrastructure systems that enhance economic efficiency and territorial cohesion.

In alignment with this framework, KIE will, during the remaining strategic period, deepen collaboration with national and county stakeholders to promote inclusive industrial development, support decentralised enterprise incubation and financing, and leverage regional value chains. KIE will also reinforce its contribution to green growth by promoting environmentally sustainable industrialisation approaches and supporting climate-resilient enterprise development initiatives.

(v) Public Service Commission (Performance Management) Regulations, 2021

The Public Service Commission (Performance Management) Regulations, 2021 provide the institutional framework for strengthening results-based management across the public sector through structured planning, performance contracting, monitoring, and evaluation. These regulations remain central to the mid-term implementation and refinement of the KIE Strategic Plan 2023–2027.

The Regulations require public institutions to continuously align strategic objectives with national development priorities, including Vision 2030, Medium-Term Plans, and relevant sectoral policies, while ensuring clear performance targets, accountability mechanisms, and measurable outcomes.

In line with these requirements, the mid-term review of the KIE Strategic Plan has reinforced the application of results-based management principles through strengthened situational analysis, refined strategic objectives, and recalibrated performance targets to reflect emerging priorities and implementation realities. KIE has also enhanced its Monitoring and Evaluation systems to improve data-driven decision-making, performance tracking, and timely reporting on strategic outcomes.

Going forward, KIE will continue to strengthen performance contracting systems, institutional accountability frameworks, and adaptive planning mechanisms to ensure improved delivery of its mandate in a dynamic policy and economic environment.

1.2.6 Sector Policies and Laws

KIE operates within a structured and evolving policy and legal ecosystem that defines its mandate, governance architecture, accountability standards, and performance expectations. The mid-term strategic context is increasingly shaped by a shift towards commercial orientation, performance-based management, and enhanced public sector accountability, particularly under the Government Owned Enterprises (GoE) Act, 2025.

Collectively, this framework ensures that KIE's operations remain aligned to national development priorities while progressively strengthening efficiency, sustainability, and value for money in the delivery of its mandate.

a) Relevant Policy Instruments

KIE's strategic direction is anchored on key national policy frameworks that collectively position the institution as a key enabler of SME-led industrial transformation:

i) **Kenya Micro and Small Enterprises Policy (2020)** – Provides the foundation for SME development through improved access to finance, markets, technology, and business development services. KIE operationalizes this through credit provision, incubation, and capacity building.

ii) **National Industrialization Policy Framework (Sessional Paper No. 9 of 2012)** – Positions SMEs as critical drivers of industrial growth and value addition, aligning directly with KIE's mandate in industrial estates development and SME manufacturing support.

iii) **Sessional Paper No. 2 of 2005** – Emphasizes employment creation through SME development, reinforcing KIE's role in enterprise financing and job creation.
iv) **Sessional Paper No. 10 of 1965 (African Socialism)** – Provides the foundational development philosophy underpinning equitable resource allocation and inclusive economic participation.
v) **Government policy directives and circulars** – Provide dynamic guidance on implementation priorities, including digital transformation, MSME financing reforms, and industrial value chain development under BETA.

These policy instruments collectively position KIE as a strategic delivery institution for SME industrialization and inclusive economic growth.

b) Legal and Governance Framework

KIE's operations are governed by a robust legal framework that defines institutional accountability, governance structure, and operational compliance requirements:

i) **Companies Act, 2015** – Provides the corporate governance framework for institutional operations, including fiduciary responsibility, reporting obligations, and board oversight mechanisms.
ii) **State Corporations Act (Cap 446)** – Establishes the governance and administrative framework for state corporations, including performance contracting, reporting structures, and oversight by the Executive.
iii) **Government Owned Enterprises (GoE) Act, 2025** – Introduces a transformative governance and performance framework for government-owned enterprises. The Act redefines SoEs as commercially oriented entities expected to operate on self-sustaining and performance-driven principles, while strengthening accountability, board independence, and results-based management.

In alignment with the GoE Act, KIE is progressively transitioning towards:

i) Strengthened performance contracting linked to measurable outcomes
ii) Enhanced board independence and governance professionalism
iii) Greater emphasis on financial sustainability and reduced reliance on exchequer funding
iv) Improved transparency, disclosure, and performance reporting
v) Adoption of a commercial mindset in public value delivery

This marks a strategic shift from traditional administrative compliance to a performance-and-impact-driven governance model, reinforcing KIE's role as a modern development finance and industrial support institution.

1.3 The History of KIE

Kenya Industrial Estates was established in 1967 as a Government initiative to drive rural industrialisation and accelerate the emergence of a locally anchored industrial base. At inception, it operated as a subsidiary of the Industrial and Commercial Development

Corporation (ICDC), with a focused mandate of catalysing small and medium-scale industrial development, particularly in underserved rural economies.

In 1978, KIE transitioned into an autonomous statutory body, marking a critical institutional milestone that expanded its strategic mandate and operational independence. This transformation repositioned KIE as a dedicated national instrument for SME industrialisation, with a clear focus on structural economic inclusion and enterprise development. Its core mandate has since evolved around five strategic imperatives: indigenisation of the industrial sector through promotion of local entrepreneurship; provision of medium- to long-term development finance to indigenous SMEs; facilitation of spatially balanced industrial development through rural dispersion; incubation and acceleration of SMEs across the country to enhance survival and growth rates; and enabling the graduation of micro and small enterprises into medium and large enterprises, thereby addressing the structural "missing middle" challenge in Kenya's industrial ecosystem.
In alignment with the Government's broader SME transformation agenda, KIE has progressively positioned itself as a strategic enabler of enterprise competitiveness and industrial deepening. Its role has expanded beyond financing to include entrepreneurship capacity development, facilitation of access to modern management practices, support for technology upgrading and industrial modernisation, and the development of integrated industrial infrastructure to anchor SME growth. KIE also plays a critical intermediation role in expanding SMEs' access to affordable credit, strengthening value chain integration, and promoting structured subcontracting linkages between SMEs and large enterprises. In addition, it supports market access initiatives aimed at enhancing domestic and export competitiveness, fosters industrial clustering to drive economies of scale, and advances the development of cottage industries as part of inclusive industrialisation.

At the mid-term review stage of this Strategic Plan, KIE's institutional trajectory is further shaped by the Government Owned Entities (GoE) Act, 2025, which redefines governance, accountability, and performance expectations for state corporations. Within this new governance architecture, KIE is now positioned as a Government Owned Entity with an enhanced mandate to deliver measurable developmental impact, strengthen operational efficiency, and deepen alignment with national transformation priorities. This transition reinforces KIE's strategic role as a key implementing arm of industrialisation policy, while also elevating expectations around results-based management, financial sustainability, and value-for-money in service delivery.

Overall, KIE's historical evolution reflects a deliberate progression from a rural industrial promotion agency to a national SME industrialisation catalyst, and now to a redefined GoE-aligned institution expected to deliver accelerated, inclusive, and sustainable industrial transformation within Kenya's evolving economic landscape.

1.4 Methodology of Developing and Mid-Term Review of KIE's SP 2023-2027

a) Development of the KIE's SP 2023-2027

The formulation of the Kenya Industrial Estates (KIE) Strategic Plan 2023–2027 was undertaken through a structured, participatory, and evidence-based approach, consistent with national strategic planning guidelines and public sector planning frameworks. The process was anchored on inclusivity, stakeholder engagement, and institutional learning to ensure ownership and alignment with national development priorities.

The process commenced with the establishment of a Strategic Plan Steering Committee, which provided overall guidance and oversight. A comprehensive review of performance under the previous strategic period was first undertaken to establish implementation status, document key achievements, extract lessons learned, and identify persistent challenges and emerging issues shaping the industrial development landscape. To enrich strategic direction, extensive stakeholder consultations were undertaken involving internal departments, external partners, SMEs, industry actors, and relevant Government institutions. These engagements were designed to align institutional priorities with stakeholder expectations and evolving policy directions within the SME and industrial development ecosystem. In accordance with constitutional requirements on public participation, the draft Strategic Plan was further subjected to validation through stakeholder workshops to strengthen legitimacy and broaden ownership.

The draft Plan was subsequently submitted to the National Treasury for review to ensure compliance with prevailing strategic planning guidelines for State Corporations. Inputs received from stakeholders and the National Treasury were incorporated to refine the final Plan. The approved Strategic Plan was then launched, disseminated to stakeholders, and operationalised through cascading Annual Work Plans across Directorates, Departments, and operational units to support implementation.

b) Mid-Term Review of KIE's SP 2023-2027

At the mid-term stage, KIE undertook a structured and systematic review to assess implementation progress, evaluate performance against set objectives, and recalibrate strategic priorities in response to emerging development dynamics, including the evolving policy environment under the GoE Act, 2025.

The review process commenced with the constitution of a dedicated review team comprising internal technical staff and external facilitators to enhance objectivity, technical rigor, and independence. A comprehensive performance assessment was conducted to evaluate progress against strategic objectives, targets, and key performance indicators, with emphasis on identifying achievements, implementation bottlenecks, capacity gaps, and emerging strategic issues affecting delivery.

This was complemented by extensive internal stakeholder consultations aimed at validating findings, deepening institutional reflection, and strengthening alignment of the revised strategic direction. The feedback generated informed the update of the three-year implementation matrix, including refinement of activities, recalibration of performance indicators, adjustment of targets, and realignment of resource requirements for the remaining planning period.

The reviewed Strategic Plan was subjected to management validation and subsequently presented for Board validation and approval. Following approval, implementation was recommenced in FY 2025/2026, supported by updated annual plans designed to ensure enhanced performance, improved efficiency, and stronger alignment with the GoE Act, 2025 and national industrialisation priorities.

CHAPTER TWO: STRATEGIC DIRECTION

Overview

This chapter defines the strategic direction guiding KIE for the remainder of the 2023–2027 planning period, as refined through the mid-term review process. It provides a consolidated articulation of the institution's mandate, vision, mission, strategic objectives, core values, and quality policy framework.

Anchored on KIE's constitutional, legal, and policy mandate - and further strengthened by the GoE Act, 2025 - this chapter positions the organisation within the current national development architecture and the evolving SME industrialisation agenda. It sets out the strategic choices that will guide institutional focus, resource allocation, and performance delivery over the remaining planning horizon.

These strategic elements define KIE's identity and institutional purpose as a catalyst for SME industrialisation, enterprise growth, and inclusive economic transformation. They reinforce the organisation's commitment to enhancing SME competitiveness, promoting industrial dispersion, supporting innovation and technology adoption, and facilitating the graduation of enterprises along the industrial value chain.

Through this strategic direction, KIE seeks to strengthen its contribution to national development priorities, deepen alignment with the Bottom-Up Economic Transformation Agenda (BETA), and deliver sustainable impact through efficient, responsive, and results-oriented implementation over the 2023–2027 planning period.

2.1 Mandate of KIE

The core mandate of KIE is to promote and accelerate industrialisation in Kenya through the development and strengthening of Micro, Small and Medium Enterprises (MSMEs). This is achieved through provision of medium- and long-term development finance, establishment and management of industrial infrastructure, incubation services, entrepreneurship and enterprise capacity development, and facilitation of strategic linkages that enhance enterprise survival, competitiveness, graduation, and sustainability across the industrial value chain.

The mandate of KIE is derived from its Articles and Memorandum of Association and is operationalised through the following functions:

1. To acquire, by direct grant, purchase, lease, exchange or other lawful means, land, buildings, and property of any description or tenure, including any rights or interests therein, for the establishment and expansion of industrial estates.
2. To develop land and property under its control through activities such as clearing, levelling, draining, and preparation of building sites; demolition of existing structures where necessary; construction of roads, sewer systems, factories,

workshops, offices, and other industrial facilities; and to recondition, extend, improve, furnish, equip, maintain, and manage such facilities, including the allocation of occupancy rights through leases, licences, or other instruments.

3. To administer industrial estates and provide integrated technical, administrative, and business support services, including shared facilities such as libraries, training and reading rooms, restaurants, recreation areas, and other auxiliary services that enhance productivity and efficiency for tenants, occupiers, and users of industrial premises.
4. To provide advisory and consultancy services on industrial and business management, including organisational development, workforce training, productivity enhancement, and enterprise development. This extends to advising on the expansion, modernisation, and improvement of industrial systems, processes, and value chains covering production, storage, distribution, marketing, and service delivery.
5. To provide financial support through lending, with or without security, to eligible enterprises and individuals on commercially and developmentally appropriate terms, particularly tenants and users of KIE-managed industrial estates. This includes guaranteeing performance of contracts, issuing indemnities, and facilitating access to finance to support enterprise growth and industrial development.
6. To undertake and promote research on industrial development, enterprise management, labour productivity, marketing systems, and distribution networks, and to collect, analyse, and disseminate relevant industrial and business intelligence, including statistics and best practice models that support evidence-based decision-making and policy formulation.

In addition to its statutory mandate, KIE's institutional positioning has been further defined by Government policy and administrative directives. Through Executive Order No. 1 of 2023, KIE was placed under the State Department for Micro, Small and Medium Enterprises Development within the Ministry of Cooperatives and MSMEs Development, reinforcing its central role in the national MSME transformation agenda.

More recently, under the GoE Act, 2025, KIE has been formally repositioned as a Government Owned Entity with an enhanced performance-driven mandate. This new framework strengthens expectations around efficiency, accountability, and developmental impact, and requires KIE to operate with greater strategic alignment to national priorities, improved governance standards, and measurable results in support of Kenya's industrialisation and economic transformation agenda.

Within this evolving policy and governance environment, KIE's mandate is therefore not only to provide industrial infrastructure and enterprise support services, but also to act as a catalytic institution driving MSME competitiveness, industrial deepening, and inclusive economic growth in line with the Bottom-Up Economic Transformation Agenda (BETA) and the national long-term development vision.

2.2 Vision Statement	***A thriving SME ecosystem in Kenya***
2.3 Mission Statement	***To nurture, empower and accelerate growth and sustainability of small and medium enterprises by providing access to affordable credit, incubation services, entrepreneurship capacity development and linkages for Jobs and wealth creation.***
2.4 Strategic Goals	***i. To enhance access to affordable finance for SMEs and strengthen institutional financial sustainability.*** ***ii. To expand and modernize industrial infrastructure and workspace for SMEs.*** ***iii. To accelerate SME growth, graduation, and competitiveness through incubation and value chain integration.*** ***iv. To strengthen institutional capacity through skilled human capital, ICT integration, and good corporate governance.*** ***v. To enhance institutional visibility, customer experience, and environmental sustainability.***

2.5 Core Values

The implementation of this Strategic Plan is anchored on a set of core values that guide institutional behaviour, decision-making, and service delivery, in alignment with Articles 10 and 232 of the Constitution of Kenya.

i) **Integrity** – Commitment to the highest ethical standards, honesty, and moral conduct in all institutional actions and decisions.
ii) **Collaboration and Partnerships** – Embracing strategic partnerships and teamwork with internal and external stakeholders to enhance collective impact and institutional effectiveness.

iii) **Innovation and Adaptability** – Fostering a culture of creativity, continuous improvement, responsiveness, and forward-looking solutions to emerging development challenges.
iv) **Transparency and Accountability** – Ensuring openness, responsible stewardship of resources, and accountability in all processes and service delivery outcomes.
v) **Equity and Inclusion** – Promoting fairness, inclusivity, and equal opportunity in access to services, resources, and institutional benefits.
vi) **Professionalism** – Upholding competence, discipline, and adherence to ethical and technical standards in the execution of duties and responsibilities.

2.6 Quality Policy Statement

KIE is committed to the development of a dynamic and competitive SME ecosystem in Kenya through the effective delivery of its core mandate, including provision of affordable development finance, incubation services, entrepreneurship capacity development, and facilitation of strategic linkages that drive enterprise growth, job creation, and wealth generation.

KIE is dedicated to consistently meeting and exceeding stakeholder expectations through the deployment of efficient and standardized systems and processes, a highly skilled and competent workforce, and a robust performance management framework anchored on monitoring, evaluation, and continuous improvement.

The organisation commits to continuously assessing its internal and external operating environment to identify risks, leverage emerging opportunities, and enhance service delivery effectiveness in support of its developmental mandate.

In pursuit of operational excellence, KIE shall fully implement and maintain a Quality Management System aligned to ISO 9001:2015 standards, ensuring consistency, efficiency, accountability, and continuous improvement across all institutional processes and service delivery functions.

CHAPTER THREE: SITUATIONAL & PERFORMANCE REVIEW AND STAKEHOLDERS ANALYSIS

Overview

This chapter presents the situational and performance review of KIE as at the mid-term stage of implementation of the Strategic Plan 2023–2027. It provides an evidence-based assessment of the internal and external operating environment, forming the foundation for the identification of strategic issues, recalibration of priorities, and refinement of interventions for the remainder of the planning period.

The chapter further reviews institutional performance for the first phase of implementation (FY 2023/2024 to FY 2025/2026), with a focus on progress against strategic objectives, governance and administrative effectiveness, resource utilisation, and delivery of planned outputs. It also highlights key implementation challenges, emerging issues, and lessons learnt that have informed the mid-term strategic adjustments.

In addition, the chapter presents a stakeholder analysis outlining the roles, interests, and expectations of key stakeholders, as well as KIE's corresponding commitments in delivering value. This analysis is critical in strengthening stakeholder engagement, enhancing responsiveness, and ensuring alignment of institutional priorities with the broader MSME development agenda and national transformation goals.

3.1 Situational Analysis

This section presents a structured assessment of the internal and external environment within which KIE operates at the mid-term stage of the Strategic Plan 2023–2027. The analysis examines key achievements, implementation challenges, emerging issues, and lessons learnt over the first two years of implementation.

The purpose of this analysis is to provide a clear understanding of the institution's strategic positioning by identifying internal strengths and weaknesses, as well as external opportunities and threats. This forms the basis for recalibrating strategic priorities and strengthening implementation effectiveness for the remaining period of the Strategic Plan.

3.1.1 External Environment

This section examines the external operating environment influencing KIE's mandate delivery, with a view to identifying key opportunities to be leveraged and threats to be mitigated in the course of implementing the Strategic Plan.

3.1.1.1 Macro Environment

KIE operates within a dynamic and evolving macro-environment that continues to shape its strategic direction, institutional performance, and development impact. In line with good strategic planning practice, the organisation undertook a comprehensive analysis of Political, Economic, Social, Technological, Environmental, Legal, and Ethical (PESTELE) factors influencing the MSME and industrial development ecosystem.

This assessment enabled the identification of critical external drivers of change and their corresponding strategic implications, including emerging opportunities to be harnessed and risks requiring mitigation. Particular attention is given to shifts in the policy environment, including the GoE Act, 2025, evolving MSME financing dynamics, rapid technological advancements, climate change imperatives, and changing market structures affecting SME competitiveness.

By systematically linking each macro-environmental factor to appropriate strategic responses, KIE seeks to strengthen institutional agility, enhance resilience, and ensure alignment with national development priorities, including the Bottom-Up Economic Transformation Agenda (BETA).

Table 3.1 below presents key insights from the PESTELE analysis that will guide strategic decision-making and implementation over the remaining period of the Strategic Plan 2023–2027

Table 3.1: PESTEL Analysis

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
Political	• Strong government focus and support (goodwill) on manufacturing, SME development, and job creation under BETA and MTP IV, which KIE's Strategic Plan aligns well. • GoE's Act 2025 centralizes ownership oversight under the National Treasury	(i) Continued policy support strengthens KIE's relevance (ii) Creates opportunities for enhanced budgetary support	(i) Maintain strict alignment of projects to national industrialization priorities (BETA, MTP IV) (ii) Strengthen reporting and performance management to meet National Treasury oversight requirements (iii) Strengthen collaboration with both national and county governments on SMEs (iv) Operationalize GoE Act 2025

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
	• Devolution affecting coordination with county governments	(i) Provides a strong platform for SME growth (ii) Business disruptions during election cycles (iii) Multiple trade licensing for SMEs	(i) Strengthen collaboration with both national and county governments on SMEs coordination (ii) Strengthen and enhance targeted intervention to SMEs (Affordable credit, Industrial spaces
	• Changes in geopolitical climate, leadership and election-related uncertainty.	(i) Supportive policy direction towards SMEs	(i) Strengthen and enhance targeted intervention to SMEs (Affordable credit, Industrial spaces and (ii) Undertake capacity building on emerging matters (iii) Strengthen collaboration with relevant law enforcement agencies.
	• Devolved governing structure (County Governments	(i) Access to funding to broader areas (ii) Opportunities for collaboration with Counties and other stakeholders	(i) Develop and implement B2B linkages, industrial sheds and aggregation systems. (ii) Develop and implement Collaborative capacity support on Skills and CUFs.
Economic	• High demand for affordable industrial finance and incubation for SMEs	(i) Pressure to improve financial sustainability of KIE operations	(i) Diversify revenue streams (ii) Design and implement support framework for export of processed

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
			goods (Policy intervention towards MSMEs promotion)
	• High interest rates for loans	(i) SMEs may struggle to take up credit and repayment for the same	(i) Strengthen credit risk management for SME financing (The Risk Appraisal Committee (RAC) and Technical Appraisal Committee (TAC) to ensure proposed projects are both technically feasible and economically viable before approval)
	• High inflation, rising taxes, exchange rate volatility, and high production costs.	(i) Constrained revenue generation due to increased NPLs	(i) Develop and deploy flexible loan products (ii) Encourage investments in low-cost alternative sources of energy for production
	• Poor loan repayments in the SME sector owing to pending bills	(i) Negatively impacts SME productivity and makes it harder for them to stay in business.	(i) Design and implement support framework for export of processed goods (Policy intervention towards MSMEs promotion) (ii) Enlisting credit guarantee scheme
	• Natural disasters (Lingering effects of Covid 19 – pandemic, floods and droughts')	(i) Impede implementation of workplans and sustainability of operations	(i) Continuous capacity building to enhance cost efficiency in projects implementation (ii) Enhance collaboration with insurance firms on risk management and transfer for SMEs

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
	• Constrained government fiscal space leading to limited resource allocation	(i) Rise in cost of Business (ii) Huge, underfunded loan pipeline	(i) Encourage investments in low-cost alternative sources of energy for production (ii) Adopt a business-plan–driven operating model as required by the GoE Act 2025.
Social	• Rising youth and women unemployment increases demand for inclusive SME support	(i) Enhanced pressure on affordable loan and CUFs	(i) Improve capacity of common user facilities (develop PPPs on expanding capacity on common user facilities) (ii) Expand targeted programs for youth and women across the country (prioritizing underserved and marginalized regions) (iii) Strengthen Capacity building and investment in CUFs (iv) Invest in SME Parks, CAIPs, CIDCs-CUFs to enhance manufacturing
	• Entrepreneurial culture and demand for industrial spaces	(i) Pressure to ensure equitable distribution of projects across the country.	(i) Expand targeted programs for youth and women across the country (prioritizing underserved and marginalized regions). (ii) Operationalize GoE Act 2025 (Clearly separate commercial activities from public service obligations (PSOs) and seek

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
			explicit government funding for PSOs
	• Regional development disparities	(i) Heightened skills and facilities gaps across the regions/counties	(i) Strengthen Capacity building and investment in CUFs
	• Rapid population growth and a large number of educated youth needing jobs and capacity	(i) Creates a large market for labour and SMEs goods/services	(i) Invest in SME Parks, CAIPs, CIDCs-CUFs to enhance manufacturing
	• Cultural practices and beliefs influence and gender effect.	(i) Challenges of cultural differences on consumption of KIE products and services	(i) Design products that are more responsive to diverse culture, beliefs, gender aspects of the Kenyan society
	• Uncoordinated urban development and encroachment	(i) Leads to higher costs and safety risks.	(i) Strengthen planning and coordination with county governments
	• Vandalism/ breakages and theft	(i) Increases maintenance costs and compromises safety of assets	• Collaborate with stakeholders to reduce vandalism through public awareness and enforcement.
Technological	• Dynamic Technology advancement	(i) Risk of obsolescence and Opportunity to modernize operations through digital systems	(i) Update ICT infrastructure and data analytics strategies (ii) Develop technology-enabled industrial parks and shared-production facilities
	• SMEs lag in adoption of modern and fast changing	(i) High cost of technology fit for KIE operations	(i) Adopt phased approach on digitizing services (lending, tenancy management,

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
	manufacturing technologies		and performance reporting systems)
	• Changes in the regulatory and legal frameworks	(i) Opportunities to deploy innovative digital lending and online training	(i) Develop and implement Partnerships with tech institutions and development partners for SME inclusive technology transfer/frameworks
	• Shift toward a digital economy and use of AI.	(i) Continuous exposure to cyber-attacks and loss of sensitive data (ii) Efficiency in business operations	(i) Strengthen data access protocols and adherence to Data Protection Act and applicable regulations (ii) Enhance staff retooling on cyber security. (iii) Set up data governance framework. (iv) Training of staff on cyber security
Environmental	• SDGs, Agenda 2063, and sustainable industrial development	(i) Environmental non-compliance could undermine KIE-funded SMEs	(i) Promote green industrial parks (renewable energy, water recycling) (ii) Support SMEs to meet environmental standards through training and infrastructure (iii) Strengthen Collaboration with NEMA

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
	• Environmental compliance costs are rising	(i) Green industrialization presents a competitive advantage	(i) Integrate environmental sustainability and conservation metrics in KIE projects (ii) Enhance Budget allocation on green activities
	• Climate change impact	(i) Compliance costs may increase operational costs	(i) Enhance awareness on conservation efforts
	• Growing emphasis on green and sustainable facilities (office and SME workspaces)	(i) Noncompliance may lead to reputation and regulatory risks	(i) Enhance funding for "green" business projects.
	• Climate change, waste management, and the "green" economy.	(i) New business opportunities in recycling,	(i) Encourage SMEs to focus on businesses that are environmentally friendly (ii) Build business resilience to droughts and floods.
Legal	• GoE Act 2025 requires KIE to operate as a commercially governed, viable and self-sustainable entity, with an independent board, performance contracts, and clear separation of PSOs	(i) Higher compliance and governance standards	(i) Review and align KIE governance structures with GoE Act 2025 requirements. (ii) Update internal policies to reflect commercial and legal compliance obligations (iii) Undertake Capacity Building for the Board
	• Continued applicability of PFM Act, Mwongzo Code,	(i) Greater scrutiny on board performance, executive	(i) Strengthen board independence and performance management

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
	PPRA Act, and Companies Act	management, and financial results	(ii) Adherence to PFM Act and applicable guidelines
	• Frequent changes in laws and high costs to comply with new regulations.	(i) Enhanced coordinating in industrial clustering and spatial planning for SMEs.	(i) Update internal policies to reflect commercial and legal compliance obligations (ii) Conduct bi- annual legal audit
	• MSME Act 2025	(i) Creates a difficult environment for SMEs and leads to potential legal cases.	(i) Adhere to applicable laws and regulations (ii) Capacity building on the requirements of the new law (iii) Develop and implement Monitoring learning and evaluation
	• Data protection	(i) Legal formation and operation of SMEs (ii) Risk for reputation damage and data loss	(i) Advocate for predictable policies that support SMEs ecosystem (ii) Compliance in regulatory framework around whatever they produce in terms of linkages- KEBs, Property rights-KIPI. (iii) Train staff on National and institutional policies and regulations
ETHICAL	• Increased expectations for integrity, transparency and accountability in GoEs	(i) Ethical lapses could undermine public trust and Treasury confidence	(i) Strengthen ethics and integrity policies and codes of conduct (ii) Regular ethics training, whistle-blower protection and internal audits

Factor	Key issues / drivers	Strategic implications for KIE	Recommendations
			(iii) Enhance collaboration with other government regulatory bodies.
	• Risks of conflicts of interest, procurement malpractice and favoritism in SME financing	(i) Strong ethics culture supports sustainability and compliance under GoE Act	(i) Enforce staff adherence to code of conduct and all other applicable laws and policies (ii) Implement whistle blower mechanisms (iii) Enforce transparent procurement and credit allocation processes
	• KIE core values include integrity, transparency and professionalism	(i) Corruption or poor governance can lead to a loss of public trust.	(i) Undertake continuous capacity building on integrity
	• Ethical Governance	(i) Ensure accountability, ethical conduct and company effectiveness	(i) Roll out integrity champions across the departments and regions (ii) Enhance collaboration with relevant government agencies
	• Public trust in Government messaging	(i) Inconsistency in government messaging	(i) Enhance collaboration with relevant government agencies.
		(i) Exposure to reputation risks and legal infractions	(i) Adherence to principles of Corporate Governance and maintain high ethical standards. (ii) Enhance collaboration with other government regulatory bodies.

3.1.1.2 Micro Environment

At the mid-term stage of the Strategic Plan 2023–2027, KIE's micro-environment reflects the immediate operational and market-level factors that continue to directly influence SME financing, incubation effectiveness, and enterprise growth outcomes. These factors shape both demand for KIE services and the institution's ability to deliver on its mandate effectively within a constrained and competitive ecosystem.

Key micro-environmental drivers include:

i) **Interest Rates:** The prevailing high interest rate environment continues to constrain SME uptake of credit facilities, increasing the cost of borrowing and limiting investment expansion.

ii) **Collateral Requirements:** Strict collateral requirements across the financial sector continue to exclude a significant proportion of SMEs from accessing formal credit, reinforcing the financing gap KIE seeks to address.

iii) **Financial Literacy:** Persistent gaps in financial literacy among SMEs affect credit absorption capacity, loan management, and enterprise sustainability.

iv) **Business Support Services:** Access to structured incubation, advisory, and mentorship services remains a critical determinant of SME readiness for financing and growth, with demand exceeding available capacity.

v) **Market Size and Demand Dynamics:** While expanding markets present growth opportunities, SME vulnerability to demand fluctuations continues to affect repayment capacity and business stability.

vi) **Information Asymmetry:** Limited availability of credible SME data continues to constrain accurate credit risk assessment and impacts lending decisions across the ecosystem.

vii) **Financial Intermediation Efficiency:** The effectiveness of financial intermediaries remains uneven, with gaps in tailored SME financial products and limited long-term patient capital for industrial SMEs.

Macroeconomic pressures, particularly inflationary trends and interest rate volatility observed over recent years, continue to amplify these micro-level constraints, reinforcing the need for targeted institutional interventions and adaptive financing models.

3.1.1.3 Industry Environment

KIE operates within a dynamic SME industrial support ecosystem characterised by a mix of public, private, and quasi-public actors offering overlapping financial, incubation, and advisory services. At mid-term, the sector remains highly fragmented, with varying degrees of specialization and service depth across institutions.

Key industry dynamics include:

i) **Diverse Market Players:** Financial institutions, microfinance providers, and development agencies dominate SME financing, while advisory and incubation services remain unevenly distributed, with limited integration of workspace solutions.

ii) **Entry of New Players:** The sector continues to experience increased entry of digital lenders and fintech-driven service providers, particularly in short-term credit and advisory services.
iii) **Buyer Bargaining Power:** SMEs increasingly have multiple service providers to choose from, intensifying competition and raising expectations for flexible, fast, and tailored solutions.
iv) **Supplier Dynamics:** KIE's operational ecosystem is supported by structured procurement and regulatory frameworks, ensuring compliance but occasionally limiting agility.
v) **Substitutes and Competitive Rivalry:** Banks, microfinance institutions, and fintech platforms continue to evolve rapidly, leveraging technology to offer integrated financial services and customer-centric digital solutions.
vi) **Technological Transformation:** Continuous innovation in digital finance, automation, and smart manufacturing is reshaping the SME support landscape, requiring adaptive capacity in service delivery and technology transfer.

In response, KIE's strategic positioning remains anchored on integrated industrial support—combining finance, incubation, workspace provision, and enterprise development—distinct from purely financial or advisory competitors.

3.1.1.4 Market Analysis

At mid-term, the SME sector remains the backbone of Kenya's industrial and economic structure, playing a central role in employment creation, innovation, and inclusive growth. SMEs continue to account for a significant share of national economic activity, contributing substantially to GDP and absorbing the majority of new entrants into the labour market.

Within the current development framework, SMEs are a critical pillar of BETA and a key driver of Kenya's industrialisation agenda under the Fourth Medium-Term Plan (2023–2027) and Vision 2030. Strategic focus remains on priority value chains including textiles and apparel, leather, dairy, edible oils, agro-processing, blue economy, minerals, and construction materials.

Despite their importance, SMEs continue to face structural constraints that limit their competitiveness and scalability, including:

i) Limited access to affordable and long-term credit financing
ii) Inadequate and inappropriate industrial workspace and infrastructure
iii) Restricted access to structured markets and value chains
iv) Weak managerial, entrepreneurial, and technical capacity
v) Limited access to appropriate and modern production technologies

In response to these constraints, KIE continues to position itself as a catalytic institution supporting SME industrialisation through an integrated service model comprising:

i) Provision of SME credit and development financing
ii) Development and management of industrial estates and incubation facilities
iii) Entrepreneurship and enterprise capacity development
iv) Facilitation of subcontracting, value chain integration, and market linkages

At mid-term, the market outlook reinforces the continued relevance of KIE's mandate, while also highlighting the need for enhanced scalability, deeper regional penetration, and stronger alignment with evolving industrial value chains and technological shifts.

3.1.2 Summary of Opportunities and Threats

Based on the PESTELE analysis, Table 3.2 below presents a summary of the KIE's opportunities and threats.

Table 3.2: Summary of the KIE's Opportunities and Threats

Factor	Opportunities	Threats
Political	Strong government support for BETA/MTP IV; enhanced relevance under GoE Act 2025; expanded county collaboration	Policy shifts, electoral cycles, and coordination complexities under devolved governance
Economic	High SME demand for finance and incubation; potential for diversified revenue and blended financing models	High interest rates, inflation, fiscal constraints, and rising SME default risk
Social	Growing youth and women entrepreneurship; expanding SME market and labour force; demand for industrial infrastructure	Regional inequalities, urbanization pressures, cultural barriers, and social insecurity risks
Technological	Digital transformation, AI adoption, and ICT-enabled service delivery; innovation in SME support systems	Rapid tech obsolescence, cyber risks, and low SME technology adoption capacity
Environmental	Green industrialisation, circular economy opportunities, and climate-resilient SME models	Climate change impacts, rising compliance costs, and environmental degradation risks
Legal	GoE Act 2025 strengthening governance and performance systems; evolving legal frameworks improving structure	Increased compliance burden, regulatory changes, and legal exposure risks
Ethical	Strong governance culture under Mwongozo and GoE reforms;	Integrity risks, procurement malpractice,

Factor	Opportunities	Threats
	improved transparency and accountability	reputational damage, and erosion of public trust

3.1.3 Internal Environment

The internal operating environment of KIE was systematically reviewed at mid-term to assess institutional capacity, operational effectiveness, and organizational readiness to deliver on its Strategic Plan 2023–2027. The assessment focused on identifying internal strengths to be leveraged and weaknesses to be addressed in order to enhance performance and accelerate achievement of strategic objectives.

The analysis examined key dimensions including institutional capacity and structure, operational systems and efficiency, level of digitalisation and ICT integration, human capital adequacy and capability, resource mobilisation and financial sustainability, as well as governance and compliance frameworks. This enabled a clear understanding of the organisation's internal enablers and constraints within the evolving GoE Act 2025 governance framework.

The findings from the internal assessment, when combined with the external PESTELE analysis, informed the development of the SWOT Matrix presented in Table 3.3. The matrix provides an integrated strategic snapshot of KIE's positioning by synthesising its Strengths, Weaknesses, Opportunities, and Threats, and serves as a key input for strategic recalibration during the remaining implementation period.

Table 3.3: SWOT Matrix

3.1.3.1 Governance and Administrative Structures

KIE operates under the oversight of the Government of Kenya as a State Corporation within the Ministry of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) Development. In line with the GoE Act, 2025, the governance framework emphasizes enhanced accountability, performance orientation, and strategic alignment with national development priorities.

The governance and administrative structure is designed to ensure effective policy direction, efficient operational execution, and strong performance oversight across all levels of the organisation.

a) Board of Directors (BoD)

The Board of Directors provides overall strategic direction, governance oversight, and policy approval. In line with the GoE Act, 2025, the Board is responsible for ensuring institutional alignment with national priorities, approving strategic and annual plans, overseeing risk and performance management systems, and safeguarding institutional sustainability and accountability. The Board also monitors implementation of strategic objectives and ensures compliance with applicable government regulations and performance standards.

b) Executive Management

The Managing Director provides overall executive leadership and is responsible for the implementation of Board-approved strategies and policies. The Management Team supports operational execution and ensures delivery of KIE's mandate through coordinated functional departments, including:

i) **Credit Services:** Provision and management of SME development finance, credit appraisal, loan monitoring, and recovery to enhance access to affordable financing.

ii) **Industrial Estates & Incubation Services:** Development, management, and maintenance of industrial estates and Common User Facilities (CUFs), as well as incubation programmes that support SME graduation and enterprise growth.

iii) **Business Advisory Services:** Provision of entrepreneurship training, mentorship, capacity building, and enterprise development support to enhance SME competitiveness.

iv) **Risk Management:** Identification, assessment, and mitigation of institutional and credit risks to safeguard financial sustainability and operational continuity.

v) **Corporate Strategy and Planning:** Strategic planning, performance monitoring, policy coordination, and reporting on institutional performance and alignment to national priorities.

vi) **Finance Department:** Financial planning, budgeting, accounting, and resource management to ensure prudent financial stewardship.

vii) **Human Resource and Administration:** Management of human capital, staff welfare, organisational development, and administrative support services.

viii) **Legal Services/Company Secretariat:** Provision of legal advisory services, governance compliance, contract management, and Board secretariat functions.

ix) **ICT Department:** Digital transformation, systems development, data management, and cybersecurity to support efficient service delivery.

x) **Internal Audit:** Independent assurance on governance, risk management, internal controls, and compliance frameworks.

xi) **Procurement:** Management of procurement processes in line with public procurement regulations to ensure value for money and transparency.

xii) **Marketing, Communications and Public Relations:** Institutional branding, stakeholder engagement, customer relations, and visibility enhancement.

c) Regional and Branch Network Structure

KIE has established a decentralized regional office structure in compliance with Article 6(3) of the Constitution of Kenya, 2010, which requires national State organs to ensure reasonable access to services across all parts of the Republic, where appropriate to the nature of the service.

In alignment with this constitutional requirement and the principles of equitable development, accessibility, and efficient service delivery, KIE has operationalised a regional presence across the country. This structure is designed to bring industrial financing, incubation services, entrepreneurship development, and SME support services closer to enterprises at the county and regional level, thereby strengthening outreach, responsiveness, and impact.

Through this devolved service delivery model, KIE enhances its ability to effectively implement its mandate, support inclusive industrialisation, and promote balanced regional economic development in line with national priorities under the BETA and the GoE Act, 2025 governance framework. The current operational structure includes:

i) **Head Office – Nairobi (Industrial Area):** Central coordination of strategy, finance, credit operations, and national programmes.

ii) **Nairobi Region:** Serving Nairobi and surrounding metropolitan SME clusters.

iii) **Central Region:** Covering Nyeri, Murang'a, Kirinyaga, Nyandarua, Kiambu, and Laikipia counties.

iv) **Coast Region:** Covering Mombasa, Kilifi, Kwale, Taita Taveta, Lamu, and Tana River counties.

v) **Eastern Region:** Covering Machakos, Kitui, Makueni, Meru, Embu, Tharaka Nithi, and Isiolo counties.

vi) **Western Region:** Covering Kakamega, Bungoma, Busia, Vihiga, and West Pokot counties.

vii) **Nyanza Region:** Covering Kisumu, Siaya, Homa Bay, Migori, Kisii, and Nyamira counties.

viii) **Rift Valley Region:** Covering Nakuru, Uasin Gishu, Baringo, Elgeyo Marakwet, Nandi, Kericho, Bomet, Turkana, Samburu, Trans Nzoia, Laikipia (shared), and Narok counties.

d) Branch Offices and Industrial Centres

KIE delivers its services through strategically located branch offices and industrial centres embedded within key industrial towns and SME hubs. These include Industrial Estates and incubation centres in major towns such as Nairobi, Mombasa, Kisumu, Eldoret, Nakuru, Thika, Nyeri, Embu, Kitale, Kakamega, Machakos, Garissa, and Kisii, among others. These offices represent the face of KIE at the regional level as shown in Table 3.3 below.

Table 3.3: KIE Regional Office

S/No.	Regional Office	Location	Counties Covered	Status as at 30th June 2026
1	Nairobi	Nairobi (Industrial Area)	Nairobi, Kiambu	Operational
2	Central	Nyeri	Nyeri, Murang'a, Kirinyaga, Nyandarua	Operational
3	North Eastern	Garissa	Garissa, Wajir, Mandera	Operational
4	Nyanza	Kisumu	Kisumu, Siaya, Homa Bay, Migori, Kisii, Nyamira	Operational

S/No.	Regional Office	Location	Counties Covered	Status as at 30th June 2026
5	South Rift	Nakuru	Nakuru, Kericho, Narok, Bomet, Laikipia	Operational
6	Upper Eastern	Embu	Embu, Isiolo, Meru, Tharaka-Nithi, Marsabit, Samburu	Operational
7	North Rift	Eldoret	Uasin Gishu, Elgeyo-Marakwet, Nandi, Baringo, West Pokot, Turkana	Operational
8	Western	Kakamega	Kakamega, Bungoma, Busia, Vihiga, Trans Nzoia	Operational
9	Lower Eastern	Machakos	Machakos, Makueni, Kitui, Kajiado	Operational
10	Coast	Mombasa	Mombasa, Kwale, Kilifi, Tana River, Lamu, Taita-Taveta	Operational

These regional and branch structures ensure proximity to SMEs, improved responsiveness, enhanced market penetration, and equitable access to KIE services across the country, thereby strengthening the institution's contribution to inclusive industrialisation and enterprise development.

3.1.3.2 Internal Business Processes

KIE has established structured internal business processes anchored on a Quality Management System (QMS) aligned to ISO 9001:2015 standards. These systems are designed to enhance operational efficiency, ensure consistency in service delivery, strengthen accountability, and support continuous improvement across all functional areas of the organisation. At mid-term review, the internal systems and procedures remain largely robust, providing a solid foundation for effective implementation of the Strategic Plan 2023–2027. KIE's internal business processes provide a strong institutional backbone for service delivery. However, the mid-term review identifies the need for accelerated digital transformation, deeper systems integration, and enhanced data-driven decision-making to fully support the organisation's evolving mandate under the GoE Act, 2025 and the SME industrialisation agenda. A summary review of key institutional systems is presented in Table 3.4 below.

Table 3.4: Review of Internal Business Procedures and Systems

Procedure / System	Description	Evaluation (Mid-Term)

Human Resource Management Policy and Procedures	Provides a framework for recruitment, retention, remuneration, performance management, training, and staff development.	Adequate and supports workforce stability and capability development.
Research, Innovation and Product Development Framework	Guides development of innovative SME support solutions, improved service delivery models, and industrial development tools.	Requires strengthening in applied SME industrial research and innovation scaling.
Corporate Communication and Stakeholder Engagement Strategy	Provides direction for internal and external communication, branding, visibility, and stakeholder engagement.	Adequate, with opportunity to enhance digital engagement and brand positioning.
Information Security and Data Protection Policy	Safeguards institutional information assets and ensures compliance with cybersecurity and data protection requirements.	Adequate, but requires continuous strengthening due to evolving cyber risks.
Risk Management Policy and Framework	Provides structured mechanisms for identifying, assessing, mitigating, and monitoring institutional risks.	Adequate and aligned to emerging GoE Act 2025 risk governance expectations.
ICT and Digital Transformation Framework	Guides automation, digital service delivery, data management, and system integration across functions.	Partially adequate; requires accelerated digitisation of core services (credit, estates, and reporting systems).
Enterprise Resource Planning (ERP) System	Integrates financial, HR, procurement, and operational processes to enhance efficiency and control.	Functional but requires optimisation and full integration across all regional offices.

3.1.3.3 Resources and Capabilities

At the mid-term stage of implementation of the Strategic Plan 2023–2027, KIE continues to strengthen its institutional resources and capabilities to enhance effective execution of its mandate. The organisation recognises that successful implementation of its strategic objectives is dependent on the adequacy and optimal utilisation of human capital, financial resources, technology, systems, and physical infrastructure.

KIE remains committed to strengthening institutional capacity through strategic resource mobilisation, continuous human capital development, enhancement of operational systems, and investment in modern industrial infrastructure and digital transformation. This is aimed at improving operational efficiency, enhancing service delivery, and supporting sustainable SME industrialisation in line with national development priorities and the GoE Act, 2025 governance framework.

The mid-term review established that while KIE possesses significant institutional strengths, several operational and resource constraints continue to affect optimal delivery of its mandate. The review therefore informed strategic interventions aimed at addressing identified gaps and strengthening institutional resilience for the remaining implementation period.

3.1.4 Summary of Strengths and Weaknesses

KIE undertook an internal institutional assessment to identify the key strengths that can be leveraged and weaknesses that require strategic intervention during the remaining implementation period of the Strategic Plan 2023–2027. The findings are summarised in Table 3.5 below.

Table 3.5: Summary of Strengths and Weaknesses

Factor	Strengths	Weaknesses
Governance and Administrative Structures	• Supportive and experienced Board of Directors • Clear legal and policy mandate • Decentralized regional presence • Positive institutional reputation and stakeholder goodwill	• Governance transition requirements under GoE Act 2025 • Capacity gaps in some operational units
Internal Business Processes	• Existing ISO-aligned Quality Management System • Established internal controls and operational procedures • Functional risk management framework	• Incomplete automation of business processes • Limited integration of operational systems
Resources and Capabilities	• Skilled and committed workforce • Existing industrial infrastructure and incubation facilities • Established SME financing and support framework	• Inadequate financial resources for growing SME demand • Dependence on limited funding streams • Uneven staff deployment across regions

Factor	Strengths	Weaknesses
Technology and Systems	• Functional ERP system • Existing ICT infrastructure and digital systems	• Partial digitization of core services • Inconsistent ICT capacity across regional offices • Cybersecurity vulnerabilities
Stakeholder Engagement	• Strong partnerships with government agencies and stakeholders • Recognized national SME development brand	• Inconsistent stakeholder engagement across some counties and sectors
Research, Innovation and Advisory Services	• Existing enterprise development and advisory programmes • Growing focus on innovation and SME competitiveness	• Limited institutional research capacity • Low uptake of research and data analytics in decision-making

3.1.5 KIE's Performance Review for FY 2023/2024 - 2025/2026

The Mid-Term Performance Review assesses the progress made by Kenya Industrial Estates in implementing its Strategic Plan 2023–2027 during the first half of the plan period. The review evaluates performance across the four Key Result Areas (KRAs) and eleven strategic objectives, highlighting the extent to which the institution has advanced its mandate of nurturing, empowering, and accelerating the growth and sustainability of SMEs in Kenya.

The assessment provides a strategic analysis of achievements realized, implementation gaps, emerging challenges, and key lessons drawn from execution of the Plan between FY 2023/2024 and half year FY 2025/2026. The review further demonstrates KIE's contribution towards enterprise development, industrialization, job creation, financial inclusion, entrepreneurship development, and institutional strengthening in alignment with the BETA, Vision 2030, and national development priorities.

During the review period, KIE registered notable progress in SME financing, entrepreneurship capacity development, market linkages, environmental sustainability, customer experience, and internal revenue generation. Significant achievements were recorded in training and linking SMEs to markets, mobilizing internally generated resources, advancing green financing initiatives, and promoting environmental sustainability through large-scale tree planting. However, implementation challenges were experienced in areas requiring substantial capital investment and external financing, particularly establishment of industrial workspaces, mobilization of exchequer and development partner funding, automation of all branches, and attainment of the desired staffing levels and governance rating.

The findings of this review provide strategic insights on organizational performance, resource adequacy, operational effectiveness, and institutional resilience. The section therefore presents a summarized performance analysis by Key Result Area (KRA) and strategic objective, outlining key achievements attained against planned targets, variances realized, and the strategic implications for the remaining implementation period of the Strategic Plan.

3.1.5.1 Key Achievements based on Key Result Area Strategic Objectives

During the first half of the Strategic Plan implementation period, Kenya Industrial Estates registered notable achievements across the four Key Result Areas (KRAs) and corresponding strategic objectives. The achievements demonstrate the institution's growing contribution towards enterprise financing, industrialization, entrepreneurship development, institutional strengthening, and environmental sustainability. The performance attained reflects KIE's commitment to supporting the growth of SMEs as drivers of employment creation, wealth generation, and economic transformation in Kenya.

a) **KRA 1: Credit to SMEs**

Under this Key Result Area, KIE focused on increasing access to affordable credit to SMEs operating within BETA priority value chains and other manufacturing/value addition sectors. During the review period, the institution disbursed KSh 1.691 billion to SMEs within the BETA priority value chains and an additional KSh 2.72 billion to enterprises in other manufacturing and value addition sectors. Through these interventions, KIE financed 1,641 SMEs and contributed to the creation of 130,324 direct jobs and 411,075 indirect jobs, thereby supporting inclusive economic growth, industrial productivity, and employment creation.
The credit interventions particularly enhanced growth opportunities for SMEs operating in agro-processing, leather, textiles and apparel, building and construction, and other strategic sectors aligned to the national industrialization agenda.

b) KRA 2: Industrial Estates and Incubation Services

The institution continued to pursue the establishment of fit-for-purpose industrial workspaces aimed at supporting SMEs through incubation and provision of conducive production infrastructure. Although implementation of the planned industrial workspaces faced financial constraints during the review period, KIE sustained efforts towards expanding industrial infrastructure and strengthening incubation support services for SMEs across the country.

The strategic focus under this KRA remained geared towards promoting industrial decentralization, enterprise formalization, innovation, and growth of SMEs into competitive and sustainable enterprises.

c) KRA 3: Entrepreneurship Capacity Development and Linkages

KIE recorded exemplary performance in entrepreneurship development and enterprise support services. The institution trained, mentored, and coached 315,454 SMEs against a mid-term target of 125,000 SMEs, significantly surpassing the target by 190,454 SMEs. This achievement strengthened entrepreneurial skills, business management capacity, innovation, and sustainability of SMEs across diverse sectors of the economy.

Additionally, KIE linked 27,224 SMEs to markets, technology, and other support services against a target of 12,500 SMEs, exceeding the target by 14,724 SMEs. The enhanced inter-firm linkages improved access to business opportunities, partnerships, technology transfer, and market competitiveness for SMEs.

The strong performance under this KRA demonstrates KIE's strategic role in enterprise empowerment, business growth acceleration, and strengthening of the SME ecosystem in Kenya.

d) KRA 4: Institutional Capacity

Under Institutional Capacity, KIE made significant progress in strengthening organizational sustainability, operational efficiency, governance, and service delivery. The institution maintained a staff establishment of 198 employees against an approved establishment of 260 staff, supporting continuity in service delivery and implementation of strategic programmes.

In resource mobilization and financial management, KIE generated KSh 6.27 billion internally against a mid-term target of KSh 2.7 billion, surpassing the target substantially and demonstrating strong institutional resilience and financial sustainability. The institution also engaged five development partners towards mobilization of additional financing for enterprise development programmes.

In technology enhancement, KIE successfully connected 31 branches to the Business Recovery (BR) System, significantly improving automation and operational efficiency across the institution. On customer experience and visibility, the institution attained an 88.35% customer satisfaction level, surpassing the target of 88%, an indication of improved service delivery and stakeholder confidence.

In governance and risk management, KIE attained a governance rating of 70% under the Association of African Development Finance Institutions (AADFI) framework, reflecting progress towards strengthening corporate governance structures and institutional accountability.

Further, the institution registered remarkable achievements in environmental sustainability by planting and nurturing 142,195 trees against a target of 25,000 trees during the review period. KIE also disbursed KSh 209.3 million to 29 green economy projects involved in renewable energy, recycling, and waste reuse initiatives, significantly surpassing the planned target for green financing. These interventions contributed towards climate action, environmental conservation, and promotion of green industrialization.

3.1.5.2 Challenges and Emerging Issues

The tables below summarize the key challenges and emerging issues identified during the Mid-Term Review of the Kenya Industrial Estates Strategic Plan 2023–2027 implementation period. The analysis highlights the major factors that affected implementation performance as well as the evolving strategic issues shaping the institution's operating environment and future interventions.

Table 3.6: Key Challenges Experienced as at Mid-term

No.	Challenge	Description/Implication
1	Inadequate funding for capital projects	Limited exchequer allocations and delayed disbursements constrained implementation of industrial estates, incubation centres, and other infrastructure development projects.
2	Limited development partner financing	Low mobilization of external financing affected implementation of strategic programmes aimed at SME growth, industrialization, and enterprise development.
3	Increasing demand for SME credit	Demand for affordable financing by SMEs exceeded KIE's available financial resources, limiting the institution's ability to fully meet market needs.
4	Adverse macroeconomic conditions	Inflationary pressures, high cost of doing business, fluctuating markets, and economic uncertainties affected SME operations and repayment capacities, thereby increasing credit risks.
5	Human resource capacity gaps	The institution operated below the approved staff establishment, affecting operational efficiency, technical support, and timely implementation of strategic interventions.

No.	Challenge	Description/Implication
6	ICT infrastructure limitations	Some branches remained unautomated due to inadequate ICT infrastructure and connectivity challenges, affecting full digital integration and service delivery efficiency.
7	Rising operational costs	Increased operational and administrative costs affected programme implementation and sustainability of some institutional operations.
8	Slow implementation of industrial workspace projects	Financial and logistical constraints slowed establishment of fit-for-purpose workspaces and industrial incubation facilities across counties.
9	Governance and compliance pressures	Increasing governance, compliance, and accountability requirements necessitated continuous strengthening of institutional systems, controls, and risk management frameworks.
10	Limited SME competitiveness	Some SMEs continued to experience challenges related to market access, technology adoption, innovation, and product standardization, affecting their growth and sustainability.

Table 3.7: Emerging Issues Identified During the Mid-Term Review Period

No.	Emerging Issue	Strategic Implication
1	Growing demand for green financing	Increasing need for financing environmentally sustainable enterprises and green economy projects requires expansion of green industrial financing solutions.
2	Climate change and environmental sustainability	SMEs are increasingly expected to adopt climate-resilient and environmentally sustainable production practices, requiring enhanced support and awareness programmes.
3	Rapid technological advancement	Accelerated digital transformation and technological changes require continuous investment in ICT systems, automation, cybersecurity, and innovation.
4	Increasing demand for digital service delivery	Stakeholders increasingly prefer online and integrated service platforms, necessitating enhancement of digital systems and customer experience.
5	Evolving SME financing needs	SMEs require more flexible, affordable, and innovative financing products tailored to emerging business models and market realities.

No.	Emerging Issue	Strategic Implication
6	Growing importance of business incubation	Increased demand for enterprise incubation, mentorship, and acceleration services calls for expansion of incubation infrastructure and enterprise support programmes.
7	Expansion of regional and global markets	SMEs require greater support in market linkages, product competitiveness, export readiness, and value addition to benefit from regional and international trade opportunities.
8	Increased focus on industrialization under BETA	National emphasis on manufacturing, value addition, and industrialization presents opportunities for KIE to scale up support to productive sectors and priority value chains.
9	Rising youth entrepreneurship	Growing youth involvement in entrepreneurship increases demand for business development services, startup financing, and innovation support.
10	Strategic partnerships and collaboration	There is increasing need for collaboration with development partners, county governments, financial institutions, and private sector players to enhance programme sustainability and impact.

3.1.5.3 Lessons Learnt

During the first half of the Strategic Plan implementation period, KIE derived key strategic lessons that are critical in strengthening execution effectiveness, improving resource utilization, and enhancing institutional impact for the remainder of the planning period. These lessons reflect both implementation experience and emerging realities within the SME development and industrialization ecosystem.

Table 3.8: Lessons Learnt

No.	Lesson Learnt	Strategic Implication
1	Adequate and predictable financing is critical for strategic delivery	Timely and sufficient funding is a key enabler for implementation of capital-intensive programmes such as industrial estates and SME financing; delays significantly slow down achievement of strategic targets.
2	Demand for SME financing continues to	The growing financing needs of SMEs require strengthened capital base and innovative financing mechanisms to sustainably meet demand.

No.	Lesson Learnt	Strategic Implication
	outpace available resources	
3	Capacity development has high and immediate impact on SME growth	Entrepreneurship training, mentorship, and linkages deliver quick and scalable results, reinforcing the need to prioritize non-financial support alongside credit provision.
4	Strategic partnerships are essential for scale and impact	Collaboration with development partners, county governments, and private sector actors is necessary to mobilize resources, expand reach, and enhance programme sustainability.
5	Digital transformation is no longer optional but essential	Automation and ICT integration significantly improve efficiency, transparency, and service delivery, requiring accelerated investment in digital infrastructure.
6	Infrastructure gaps constrain enterprise growth potential	Availability of industrial workspaces and incubation facilities is a critical enabler for SME productivity, formalization, and competitiveness.
7	Sustainability and green economy considerations are becoming central	Increasing emphasis on environmental sustainability and green financing requires integration of climate-responsive approaches into SME support programmes and industrial development initiatives.

3.2 Stakeholder Analysis

This section presents a refined stakeholder analysis for the reviewed Strategic Plan of Kenya Industrial Estates, outlining the key actors that influence or are influenced by the institution's mandate in SME development, industrialization, enterprise financing, and incubation services. The analysis is informed by the mid-term implementation experience and the evolving operating environment.

Stakeholder analysis is a critical component of strategic management as it enables effective prioritization, engagement, and alignment of interests among diverse actors within the institutional ecosystem. In the context of KIE, a stakeholder refers to any individual, group, or institution that has a direct or indirect interest in the organization's activities, outputs, and outcomes.

The institution recognizes that successful delivery of its mandate is highly dependent on sustained collaboration, strategic partnerships, and continuous engagement with stakeholders across the public and private sectors. These stakeholders play a significant role in resource mobilization, policy direction, programme implementation, service uptake, and overall impact realization.

KIE also acknowledges that each stakeholder group has distinct expectations, needs, and levels of influence, which must be effectively managed to enhance institutional performance and accountability. Strengthening stakeholder relationships is therefore central to improving service delivery, expanding reach, enhancing resource mobilization, and achieving the strategic objectives of the organization.

In this regard, KIE will continue to foster structured engagement mechanisms, strategic partnerships, and coordinated collaboration frameworks to ensure mutual value creation and alignment of interests. Table 3.9 provides a summarized stakeholder analysis, outlining key stakeholder groups, their expectations, and the corresponding engagement strategies adopted by the institution.

Table 3.9: Stakeholder Analysis

S/No	Name of Stakeholder	Role of the Stakeholder	Stakeholder Expectations	KIE Expectations
1	Board of Directors	Strategic oversight, governance, policy direction, risk management, and resource mobilization	Efficient service delivery, compliance, accountability, institutional performance, and mandate delivery	Strategic approvals, policy guidance, governance oversight, and resource mobilization support
2	National Government (Cabinet, National Treasury, State Department of MSME, Parliament)	Policy formulation, funding, oversight, legislation, and coordination of national development agenda	Effective implementation of government priorities (BETA), transparency, value for money, and economic impact	Policy direction, budgetary allocations, enabling legislation, and inter-agency coordination
3	County Governments	Local industrialization, infrastructure development, licensing support, and enterprise ecosystem development	Job creation, local economic development, industrial decentralization, and community impact	Land allocation, co-financing, regulatory facilitation, and local investment support
4	MSMEs / Entrepreneurs / Clients	Primary beneficiaries of financing, incubation, training, and market linkages	Affordable credit, industrial infrastructure, capacity building, and business growth support	Loan repayment, enterprise growth, compliance, and active participation in programmes
5	Employees (Management & Staff)	Implementation of strategy, operational delivery, service provision, and institutional performance	Fair remuneration, career development, welfare support, and enabling work environment	High productivity, innovation, accountability, and commitment to performance targets

S/No	Name of Stakeholder	Role of the Stakeholder	Stakeholder Expectations	KIE Expectations
6	Financial Institutions & Credit Partners	Co-financing, credit risk sharing, SME lending, and financial intermediation	Strong credit pipelines, risk mitigation, and sustainable financing partnerships	SME financing, credit guarantees, data sharing, and structured risk-sharing mechanisms
7	Development Partners	Funding, technical assistance, capacity building, and institutional strengthening	Transparency, impact delivery, accountability, and sustainability of funded programmes	Grants/loans, technical support, knowledge transfer, and long-term collaboration
8	Private Sector & Industry Associations (KEPSA, KAM, KNCCI)	Industrial advocacy, competitiveness enhancement, and private sector coordination	Policy influence, improved business environment, and industry support services	Market linkages, innovation partnerships, skills development, and industry intelligence
9	Regulators & Oversight Bodies (KRA, KEBS, NEMA, CBK, etc.)	Compliance enforcement, standards regulation, and governance oversight	Full compliance, quality assurance, transparency, and regulatory adherence	Regulatory guidance, compliance support, and timely reporting
10	Academic & Research Institutions	Research, innovation, skills development, and technology transfer	Collaboration opportunities, funding support, and industry linkage	Research outputs, innovation solutions, skills development, and incubation support
11	Media & Public	Information dissemination, accountability, and public awareness	Transparency, accurate communication, and responsiveness	Positive visibility, accurate reporting, and public engagement support
12	Local Communities	Social license to operate, employment, and community development	Employment opportunities, CSR support, and environmental sustainability	Social acceptance, cooperation, and support for institutional projects

S/No	Name of Stakeholder	Role of the Stakeholder	Stakeholder Expectations	KIE Expectations
13	Professional Service Providers (Legal, Valuers, Auctioneers, Contractors)	Technical and advisory service delivery in operations and asset management	Fair procurement, timely payments, and transparent processes	Quality services, compliance, efficiency, and professional integrity
14	Oversight & Accountability Institutions (Auditor General, CRBs, Judiciary)	Accountability, credit risk management, and justice enforcement	Compliance, transparency, and audit responsiveness	Accurate data, cooperation, and implementation of recommendations

CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

Overview

This chapter presents the strategic direction of KIE under the Reviewed Strategic Plan. The chapter outlines the critical strategic issues emerging from the organizational analysis, mid-term review findings, stakeholder consultations, and the evolving national and global operating environment. It further presents the strategic goals and Key Result Areas (KRAs) that will guide the institution in delivering its mandate during the remaining implementation period of the Strategic Plan.

The reviewed strategic direction is informed by the need to strengthen SME competitiveness, accelerate industrialization, enhance institutional sustainability, deepen enterprise support systems, and position KIE as a leading development finance and industrial support institution for SMEs in Kenya. The chapter therefore provides the strategic framework for prioritization of interventions, resource allocation, institutional performance management, and achievement of sustainable socio-economic impact.

4.1 Strategic Issues

The review of the Strategic Plan established several cross-cutting and emerging issues affecting implementation of KIE's mandate. In order to sharpen strategic focus and enhance execution effectiveness, the issues have been consolidated into four critical strategic issues that will inform the institution's strategic interventions during the remaining plan period.The identified strategic issues are:

1. Limited access to affordable and sustainable financing for SMEs.
2. Need for modernization and expansion of industrial infrastructure to support SME productivity and growth.
3. Gaps in SME competitiveness arising from entrepreneurial capacity, market access, and technology adoption challenges.
4. Institutional capacity and resource limitations affecting service delivery and organizational effectiveness.

4.2 Strategic Goals

In response to the identified strategic issues, the Reviewed Strategic Plan will pursue the following four strategic goals aimed at strengthening KIE's institutional impact and contribution to national industrialization and SME development:

1. Enhance access to affordable and sustainable financing for SME growth and industrial development
2. Expand, modernize, and optimize industrial estates and incubation infrastructure to support SME development
3. Strengthen SME capacity, incubation support, market linkages, and technology adoption for enterprise growth and sustainability

4. Strengthen institutional capacity, governance, digital systems, financial sustainability, and operational efficiency for effective mandate delivery.

4.3 Key Results Areas

The Reviewed Strategic Plan is anchored on four KRAs that represent the core pillars through which KIE will implement its mandate and achieve the strategic goals. The KRAs provide the institutional focus areas for implementation, monitoring, performance management, and resource allocation.

The four KRAs are:

1. Credit to SMEs
2. Industrial Estates and Incubation Services
3. Entrepreneurship Capacity Development and Linkages
4. Institutional Capacity

These KRAs are designed to enhance enterprise financing, industrial infrastructure development, entrepreneurship growth, institutional sustainability, and operational excellence in delivery of KIE’s mandate.

Table 4.1: Strategic Issues, Goals and Key Result Areas

Strategic Issue	Strategic Goal	Key Result Area (KRA)
Limited access to affordable and sustainable financing for SMEs.	Enhance access to affordable and sustainable financing for SME growth and industrial development	**KRA 1: Credit to SMEs**
Need for modernization and expansion of industrial infrastructure to support SME productivity and growth.	Expand, modernize, and optimize industrial estates and incubation infrastructure to support SME development	**KRA 2: Industrial Estates and Incubation Services**
Gaps in SME competitiveness arising from entrepreneurial capacity, market access, and technology adoption challenges.	Strengthen SME capacity, incubation support, market linkages, and technology adoption for enterprise growth and sustainability	**KRA 3: Entrepreneurship Capacity Development and Linkages**
Institutional capacity and resource limitations affecting service delivery and organizational effectiveness.	Strengthen institutional capacity, governance, digital systems, financial sustainability, and operational efficiency for effective mandate delivery	**KRA 4: Institutional Capacity**

CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES

Overview

This chapter presents the strategic objectives and corresponding strategies that will guide implementation of the KIE Reviewed Strategic Plan during the remaining plan period. The chapter translates the identified strategic issues, strategic goals, and Key Result Areas into clear, measurable, and actionable strategic objectives aimed at enhancing institutional effectiveness and accelerating delivery of KIE's mandate.

The strategic objectives provide the institutional commitments and priority focus areas through which KIE will promote SME financing, industrialization, enterprise growth, incubation services, entrepreneurship development, and institutional sustainability. The strategies outlined under each objective represent the key interventions and strategic choices that the institution will pursue in order to respond to emerging challenges, leverage opportunities, and improve organizational performance and impact.

5.1 Strategic Objectives

To operationalize the Reviewed Strategic Plan, KIE has identified strategic objectives that will drive implementation of programmes and interventions under the four KRAs during the remaining plan period. The strategic objectives are designed to address the critical strategic issues identified through the organizational analysis and mid-term review, while positioning the institution to enhance its contribution towards SME growth, industrialization, enterprise sustainability, job creation, and institutional transformation.

The objectives further provide the basis for performance measurement, resource allocation, annual planning, and monitoring of institutional progress towards the realization of the desired strategic outcomes. Table 5.1 presents the expected outcomes, outcome indicators, and annual projections for each strategic objective during the implementation period of the Reviewed Strategic Plan.

Table 5.1: Outcomes And Annual Projections

Strategic Objective	Outcome	Outcome Indicator	Projections/Targets				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
KRA 1: Credit to SMEs							
SO 1.1 To disburse Kes 6 billion to SMEs under BETA priority value chains.	Enhanced access to affordable and targeted financing for SMEs in BETA priority value chains, driving productivity and value chain development.	Amount disbursed to SMEs under BETA priority value chains (KShs.)	0.64B	1.00B	1.28B	1.48B	1.60B
		Number of SMEs financed under BETA priority value chains	1,280	2,000	2,560	2,960	3,200
		Number of jobs created through financed SMEs	96,000	150,000	192,000	222,000	240,000
SO 1.2 To disburse Kes 9 billion to SMEs in other manufacturing and value addition sectors.	Strengthened growth, competitiveness, and industrial upgrading of SMEs through increased access to industrial credit.	Amount disbursed to SMEs in manufacturing/value addition sectors (KShs.)	0.96B	1.50B	1.92B	2.22B	2.40B
		Number of SMEs financed in manufacturing/value addition sectors	1,920	3,000	3,840	4,440	4,800
		Number of jobs created through financed enterprises	144,000	225,000	288,000	333,000	360,000
KRA 2: Industrial Estates and Incubation Services							
SO 2.1 To enhance access to fit-for-purpose industrial	Increased availability and utilization of modern, efficient industrial workspaces for SMEs.	Number of fit-for-purpose industrial workspaces	-	10	10	15	20

Strategic Objective	Outcome	Outcome Indicator	Projections/Targets				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
workspaces through renovation and modernization of incubation centres and optimization of KIE land assets		established, renovated, or modernized					
SO 2.2 To optimize the utilization and commercial value of KIE properties and industrial estates to enhance revenue generation, asset productivity, and financial sustainability.	Improved asset productivity and increased revenue generation from KIE properties and industrial estates.	Revenue generated from KIE properties and industrial estates (KShs.)	Kshs 65M	Kshs 68M	Kshs 72M	Kshs75	Kshs80M
KRA 3: Entrepreneurship Capacity Development and Linkages							
SO 3.1 To enhance entrepreneurial capacity and skills for SMEs	Strengthened entrepreneurial capability, productivity, and sustainability of SMEs.	Number of SMEs trained, mentored, or coached	50,000	50,000	50,000	50,000	50,000
SO 3.2 To facilitate SMEs access to market, technology and other support services	Improved SME competitiveness, market access, and integration into value chains.	Number of SMEs linked to markets, technology, and support services	5,000	5,000	5,000	5,000	5,000
KRA 4: Institutional Capacity							

Strategic Objective	Outcome	Outcome Indicator	Projections/Targets				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
SO 4.1 To attract, develop and retain skilled and motivated staff.	Enhanced institutional performance through a competent, motivated and stable workforce.	Staff retention rate	85%	88%	90%	92%	95%
SO 4.2 To enhance resource mobilisation and prudent financial management.	Strengthened financial sustainability and diversified resource base.	Total funds allocated from Exchequer (KShs.)	502.7M	1.4B	1.5B	1.6B	502.7M
		Total funds mobilized from Development Partners (KShs.)	-	2,012.5M	2,012.5M	2,012.5M	2,012.5M
		Total funds generated internally (KShs.)	1B	1.1B	1.2B	1.3B	1B
SO 4.3 To leverage technology and digital transformation.	Improved efficiency and accessibility of services through digitalization and automation.	Percentage of KIE services fully automated and digitized (%)	86.1%	86.1%	86.1%	86.1%	86.1%
SO 4.4 To strengthen institutional visibility, brand positioning, and customer experience.	Enhanced stakeholder trust, visibility, and customer satisfaction.	Customer satisfaction index (%)	85%	87%	88%	89%	90%
SO 4.5 To strengthen corporate governance, accountability, and enterprise risk management systems.	Improved governance compliance, accountability, and risk management effectiveness.	Governance compliance and risk management rating (%)	70%	75%	80%	85%	90%

Strategic Objective	Outcome	Outcome Indicator	Projections/Targets				
			FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
SO 4.6 To promote environmental sustainability and green industrialization.	Enhanced environmental sustainability and growth of green and circular economy enterprises.	Number of trees planted and survived (cumulative)	21,190	54,965	93,286	150,000	150,000
		Number of green enterprises financed (No.)	-	25	25	25	25

5.2 Strategic Choices

The successful implementation of the Reviewed Strategic Plan will require KIE to pursue deliberate strategic choices and interventions aimed at enhancing institutional effectiveness, operational efficiency, service delivery, and long-term sustainability. The strategic choices outlined under each Key Result Area define the priority interventions and approaches that the institution will adopt in order to achieve the set strategic objectives and desired outcomes.

The strategies have been informed by the mid-term review findings, emerging economic and technological trends, stakeholder expectations, national development priorities, and the evolving SME and industrial development landscape. The strategic choices therefore provide the implementation pathways through which KIE will strengthen SME financing, industrial infrastructure, entrepreneurship development, partnerships, digital transformation, governance, and environmental sustainability. Table 5.2 presents the strategic objectives and corresponding strategies under each Key Result Area.

Table 5.2: Strategic Objectives and strategies

Key Result Area	Strategic Objective	Strategies
KRA 1: Credit to SMEs	**Objective 1**: To disburse Kes 6 billion to SMEs under BETA priority value chains.	**S1**: Prioritize financing to SMEs in BETA-aligned value chains.
		S2: Strengthen SME pipeline development and credit readiness.
		S3: Enhance strategic partnerships for SME financing.
	Objective 2: To disburse KES 9 billion to SMEs in other manufacturing and value addition sectors.	**S1**: Provide targeted financing to SMEs in diversified manufacturing and value addition sectors.
		S2: Promote regional and sectoral balance in financing.
		S3: Enhance access to finance through simplified lending processes
KRA 2: Industrial Estates and Incubation Services	**Objective 1:** To enhance access to fit-for-purpose industrial workspaces through renovation and modernization of incubation centres and optimization of KIE land assets.	**S1**: Undertake comprehensive refurbishment and security enhancement of existing incubation centres and industrial workspaces.
		S2: Modernize incubation centres into fully equipped industrial hubs.
		S3: Optimize KIE land assets through structured development and strategic partnerships.
	Objective 2: To optimize the utilization and	**S1**: Enhance effective utilization of KIE properties and industrial estates.

Key Result Area	Strategic Objective	Strategies
	commercial value of KIE properties and industrial estates to enhance revenue generation, asset productivity, and financial sustainability.	**S2:** Develop and implement a structured asset commercialization framework.
		S3: Strengthen asset management systems and data-driven decision-making.
KRA 3: Entrepreneurship Capacity Development and Linkages	**Objective 1:** To enhance entrepreneurial capacity and skills for SMEs	**S1:** Deliver structured capacity-building and skills development programmes to strengthen SME managerial, technical, and operational competencies.
		S2: Institutionalize business advisory services through coaching, counselling, and mentorship to support SME growth, resilience, and sustainability.
		S3: Implement a voucher-based training model through the Centre for Entrepreneurship (C4E) to expand access to targeted entrepreneurship training for youth-led enterprises.
	Objective 2: To facilitate SMEs access to market, technology and other support services	**S1:** Leverage strategic networks and partnerships to expand SME access to information, technology, and business linkages, targeting at least 5,000 SMEs annually.
		S2: Establish a digital SME exchange platform to enable market linkages, information sharing, and access to business support services.
KRA 4: Strengthen Institutional Capacity	**Objective 1:** To attract, develop and retain skilled and motivated staff.	**S1:** Strengthen talent acquisition and workforce planning.
		S2: Enhance employee development, learning, and knowledge management
		S3: Strengthen employee engagement and organisational culture
		S4: Enhance performance management and productivity systems
		S5: Strengthen employee wellbeing and HR administration systems
	Objective 2: To enhance resource mobilisation	**S1:** Diversify and strengthen resource mobilisation mechanisms to enhance financial sustainability.

Key Result Area	Strategic Objective	Strategies
	and prudent financial management.	**S2:** Strengthen financial management, accountability, and resource utilization systems.
		S3: Enhance loan portfolio performance and debt recovery to safeguard financial assets.
	Objective 3: To leverage technology and digital transformation.	**S1:** Strengthen ICT infrastructure and digital connectivity.
		S2: Digitize and automate business processes.
		S3: Strengthen cybersecurity, data governance, and regulatory compliance.
		S4: Strengthen ICT governance and strategic planning.
	Objective 4: To strengthen institutional visibility, brand positioning, and customer experience.	**S1:** Expand institutional reach and service footprint through strategic branch network growth.
		S2: Strengthen brand visibility and institutional recognition.
		S3: Enhance customer experience through service excellence.
		S4: Develop and implement an integrated corporate communication and brand management strategy.
	Objective 5: To strengthen corporate governance, accountability, and enterprise risk management systems.	**S1:** Strengthen corporate governance and institutional accountability frameworks.
		S2: Institutionalize enterprise risk management and fraud prevention systems.
	Objective 6: To promote environmental sustainability and green industrialization.	**S1:** Promote climate action and environmental restoration through structured afforestation and sustainability programmes.
		S2: Enhance financing and support for green economy enterprises and sustainable industrial development.

CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

Overview

This chapter presents the revised framework for implementing the KIE Strategic Plan 2023–2027, taking into account mid-term review findings and emerging priorities. It articulates the mechanisms for translating strategic intent into actionable results through strengthened implementation arrangements, coordinated execution structures, and an enhanced risk management approach.

The chapter further outlines the coordination architecture required to ensure effective delivery of strategic objectives across the Institution. It emphasizes alignment of planning, budgeting, performance management, and accountability systems to strengthen execution discipline and institutional performance. It also highlights the risk management framework that will guide proactive identification, assessment, mitigation, and monitoring of risks to safeguard achievement of strategic outcomes.

6.1 Implementation Plan

The implementation plan serves as the central execution instrument for the Strategic Plan. It guides the mobilization, allocation, and utilization of institutional resources to ensure effective delivery of strategic priorities over the remaining plan period.

It also provides a structured reference point for monitoring, evaluation, learning, and reporting, thereby strengthening accountability and results-based management within the Institution.

The implementation framework integrates annual planning, budgeting, and performance contracting to ensure coherence between strategy and resource deployment.

6.1.1 Action Plan

The action plan is presented in an integrated implementation matrix that operationalizes the Strategic Plan into measurable and trackable components. The matrix comprises:

i) Strategic Issue
ii) Strategic Goal
iii) Key Result Areas
iv) Strategic Objectives
v) Strategies
vi) Key Activities
vii) Expected Outputs
viii) Output Indicators
ix) Mid-term and 5-year cumulative targets
x) Projected total resource requirements over the plan period
xi) Annualized budget estimates
xii) Assigned responsibility centers

The implementation matrix is annexed as Appendix I of the revised Strategic Plan.

6.1.2 Annual Workplan and Budget

For the remaining implementation period of the Strategic Plan, the Institution shall develop rolling annual workplans and programme-based budgets aligned to the revised strategic priorities.

These workplans will operationalize strategic objectives into actionable deliverables with clear cost implications, thereby enhancing efficiency in resource utilization, improving tracking of performance, and strengthening reporting on results achieved against targets.

6.1.3 Performance Contracting

The annual performance contracting framework will be directly derived from the costed annual workplans. Performance contracts will serve as accountability instruments linking institutional and individual performance expectations to strategic deliverables. This will ensure alignment between planned outputs, resource allocation, and measurable results, thereby reinforcing a performance-driven institutional culture.

6.2 Coordination Framework

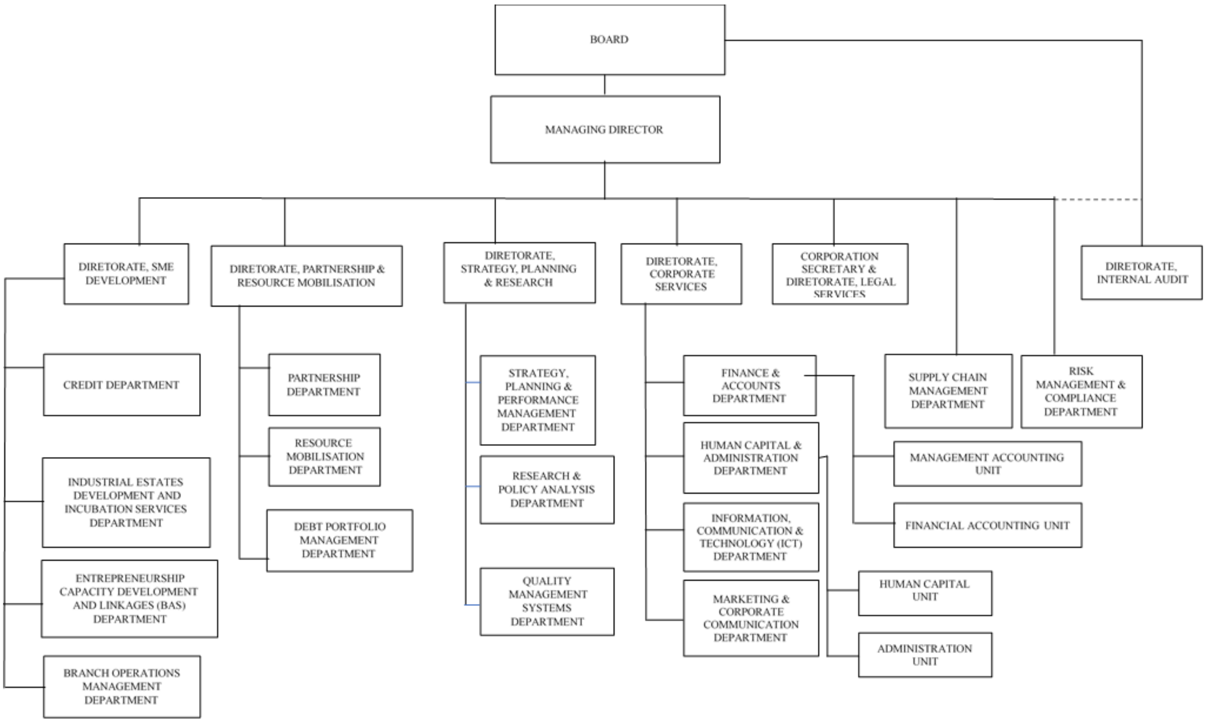
Effective implementation of the Strategic Plan requires a strengthened coordination framework that ensures alignment of structures, processes, and systems across the Institution and its stakeholders. The coordination framework is anchored on institutional arrangements, governance structures, and communication mechanisms designed to promote efficiency, accountability, and timely decision-making.

6.2.1 Institutional Framework

The Institution has established a functional organizational structure aligned to its mandate and strategic priorities under the revised Strategic Plan 2023–2027. The organizational design is structured to enhance agility, improve service delivery, and strengthen internal coordination across directorates and departments. It provides a clear hierarchy of accountability, enabling effective delegation of authority, streamlined decision-making, and efficient information flow. The structure supports optimal execution of strategic objectives and ensures alignment with the Institution's enabling legal and policy framework.

The organogram, as illustrated in **Figure 6.1**, defines reporting lines, functional relationships, and coordination mechanisms necessary for effective delivery of the Strategic Plan.

Figure 6.1: KIE's Organogram



KIE has established robust governance structures, policies, regulations, and operational guidelines to support the effective implementation of the revised KIE Strategic Plan 2023–2027. These frameworks are fully aligned with applicable policy, legal, and regulatory requirements, and are designed to enhance institutional compliance, accountability, and performance in the execution of strategic priorities.

6.2.2 Staff Establishment, Skills Set and Competence Development

The Institution continues to prioritize the strengthening of its human capital base as a critical enabler for the effective execution of the KIE Strategic Plan 2023–2027 (Mid-Term Review). This is aimed at enhancing institutional capability, service delivery efficiency, and responsiveness to stakeholder expectations.

At the commencement of the Strategic Plan in FY 2023/2024, the approved establishment stood at 260 positions, against an optimal staffing requirement of 282 positions, with an in-post level of 198 staff, reflecting a staffing gap of 84 positions. During the initial phase of implementation, the Institution undertook phased recruitment and internal redeployment, resulting in partial reduction of critical gaps in priority functional areas. However, staffing disparities remain across key cadres, particularly in technical, regional, and support functions.

To address the remaining human resource gaps, the Institution will pursue a targeted and phased recruitment strategy, informed by functional needs analysis, workload assessments, and budgetary availability. Recruitment will be aligned to priority strategic delivery areas to ensure optimal staffing levels are progressively achieved and sustained during the remainder of the planning period.

In addition, the Institution will strengthen its skills development and competence enhancement framework to ensure staff capacity aligns with evolving institutional needs. This will include structured training, leadership development, and succession planning initiatives aimed at building a resilient and future-ready workforce.

To enhance productivity and institutional performance, the following strategies will be implemented:

i) Continuous enhancement of staff competencies, technical skills, and professional attitudes aligned to institutional priorities;
ii) Annual training programmes informed by Training Needs Assessments (TNA);
iii) Strengthening staff participation in planning, implementation, and performance evaluation processes;
iv) Implementation of structured reward and recognition mechanisms to enhance motivation and retention; and
v) Continuous improvement of the Performance Management System (PMS) to strengthen accountability, productivity, and results orientation.

6.2.3 Leadership

The Board of Directors remains responsible for providing overall strategic leadership, policy direction, and governance oversight for the successful implementation of the reviewed Strategic Plan 2023–2027. Management is responsible for operational execution and shall establish Strategic Theme Teams with clearly defined terms of reference. These teams will be responsible for coordinating, monitoring, and driving implementation of strategic initiatives across functional areas, thereby enhancing cross-functional collaboration, accountability, and delivery of results.

6.2.4 Systems and Procedures

The Institution has established and continues to strengthen its internal systems, processes, and standard operating procedures to support efficient and effective implementation of the Strategic Plan.These systems are anchored on institutional process frameworks, including internal business processes outlined in Section 3.1.3.2, and are continuously being refined to enhance operational efficiency, compliance, service delivery quality, and performance monitoring.

6.3 Risk Management Framework

The Institution remains committed to the effective implementation of its mandate and the achievement of the strategic objectives outlined in the revised Strategic Plan 2023–2027. In alignment with the KIE Risk Management Policy and Framework, the Institution will continue to strengthen its risk governance structures, internal controls, and mitigation mechanisms to proactively identify, assess, manage, and monitor risks that may impact strategic delivery. During the remaining strategic period, key risks have been identified and assessed based on their likelihood of occurrence and potential impact. Appropriate mitigation measures have been developed and integrated into the implementation framework, as presented in Table 6.2. This risk management approach is intended to enhance institutional resilience, safeguard resources, and ensure sustained achievement of strategic outcomes over the remaining plan period.

i. Likelihood Assessment Level and Description

Likelihood Rating	Probability of Occurrence	Risk Score
Frequent	> 50% of the time within one year (expected to occur regularly under normal circumstances)	5
Likely	Between 25% - 50% of the time within one year (expected to occur at some time)	4
Occasional	Between 10% - 25% of the time within 1-2 years (may occur at some time)	3
Rare	Between 5% - 10% of the time within 3 years (not likely to occur in normal circumstances)	2
Unlikely	< 5% of the time within 5 years (could happen but probably never will)	1

ii. Impact Assessment Level and Description

Consequence	Description	Risk Score
Very High	May affect KIE's ongoing existence. Substantial threat to survival of KIE's processes etc.	5
High	Difficult to achieve multiple objectives. Business/ programme will take a number of years to recover	4
Moderate	Challenging to achieve some objectives. High profile loss	3
Low	May have some undesirable outcomes. Business/ programme can easily recover	2
Very Low	No noticeable impact on objectives. No significant impact.	1

iii. Overall Risk Level (Likelihood *Impact)

Aggregate Risk Score	Overall Risk Rating
Risk score => 20	Very High
Risk score => 15 and less than 20	High
Risk score => 10 and less than 15	Moderate
Risk score => 5 and less than 10	Low
Risk score less than 5	Very Low

Table 6.2: Risk Management Framework

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
KRA 1: Credit to SMEs							
To disburse KES 6 billion to SMEs under BETA priority value chains To disburse Kes 9 billion to SMEs in other manufacturing/ value addition sectors.	Delayed exchequer releases and inadequate capitalization affecting lending capacity	5	5	25	VH	• Diversify funding through DFIs, guarantees, blended finance and PPPs • Strengthen internal revenue generation • Enhance liquidity forecasting and cash flow management • Build strategic partnerships for concessional funding	FM
	High Non-Performing Loans (NPLs) due to SME cash flow instability, inflation, and market shocks	5	5	25	VH	• Strengthen credit appraisal and sector-specific risk scoring • Enhance post-disbursement monitoring and early warning systems • Expand credit guarantees and collateral substitutes • Portfolio diversification and stress testing	MRM
	Cybersecurity breaches and system failures affecting digital lending platforms and customer data	4	5	20	VH	• Implement enterprise cybersecurity framework and penetration testing • Deploy disaster recovery and backup systems • Strengthen secure digital lending architecture	ICTM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
						• Continuous staff cyber risk awareness	
	Economic shocks (inflation, energy, fuel, labour costs) affecting SME repayment capacity	4	4	16	H	• Sector diversification and clustering • Flexible loan restructuring frameworks • Credit guarantee schemes • SME capacity building on resilience and green energy adoption	CM MRM BASM
KRA 2: Industrial Estates and Incubation Services							
To enhance access to fit-for-purpose industrial workspaces through renovation and modernization of incubation centres and optimization of KIE land assets.	Constrained fiscal space leading to inadequate funding for renovation and modernization of industrial estates	5	5	25	VH	• Diversify financing through PPPs, donor funding, and blended finance • Align projects to government priorities (BETA/GoK agenda) • Phased implementation and prioritization of critical assets	FM BASM IEDISM
	Ineffective implementation of PPPs due to limited institutional capacity and technical expertise	5	4	20	H	• Capacity building on PPP frameworks • Strengthen legal and procurement expertise • Collaboration with PPP Directorate and Attorney General's office • Recruitment of technical PPP specialists	HRAM IEDISM FM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
	Legal disputes and tenant litigation arising from renovation and relocation of incubation tenants	5	4	20	H	• Legally compliant relocation and notice frameworks • Early stakeholder engagement and communication • Structured tenant compensation/transition plans	LSM IEDISM
	Rent review resistance and tenant opposition following estate modernization	5	4	20	H	• Structured stakeholder sensitization • Transparent rent review policy linked to service improvement • Phased implementation of revised tariffs	IEDISM OM
	Political and policy instability affecting implementation continuity	5	5	25	VH	• Strong alignment to government priorities • Agile policy review and compliance mechanisms • Continuous stakeholder engagement at national and county levels	IEDISM CSPM
To optimize the utilization and commercial value of KIE properties and industrial estates to enhance revenue generation, asset	Economic development disparities between different counties and regions may cause low uptake of already existing industrial workspaces.	3	2	6	L	• Review of rental prices to match market prices in areas of low uptake. • Carry out collaboration with local authorities, (County or Sub County Offices) in way to utilize industrial workspaces.	IEDISM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
productivity, and financial sustainability.	Risks of conflicts of interest, procurement malpractice in partnerships sourcing and favouritism in allocation of partnerships opportunities.	3	3	9	L	• Anticorruption policy awareness to staff involved. • Consequent management to breach of conduct and policy. • Clear guidelines to the involved personnel on all the required procedures.	HRAM
	Institutional Capacity gaps. Both in terms of personnel and Policy level at the IEDIS department to assist in realization of KRA especially on renovation, PPP Implementation and provision of Common user facilities. management of the incubation spaces.	4	4	16	M	• Revision of IEDIS Policy to cover and accommodate PPP implementation and common user facilities provision. • Capacity building on common user facilities provision as well PPP frameworks development and execution to be carried out on staff. • Acquisition of additional technical staff (temporary or permanent) to assist in executing renovations. • Collaboration with regional and county offices for Public Works in executing renovations.	IEDISM HRAM
	Potential ineffective implementation of Public-Private Partnerships (PPPs) as	5	4	20	H	• Capacity building on PPP frameworks development and execution to be carried out on all relevant personnel, (Legal,	HRAM IEDISM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
	an alternative resource mobilization mechanism due to inadequate institutional capacity and insufficient legal and technical expertise.					IEDIS, Procurement, Finance, Management) • Review of IEDIS policy to accommodate PPP formulation, execution and monitoring. • Acquisition of additional technical staff (temporary or permanent) to assist in executing PPP frameworks. • Collaboration with the office of the Attorney General and the PPP Directorate at The National Treasury executing PPP Frameworks.	
KRA 3: Entrepreneurship Capacity Development and Linkages							
To enhance entrepreneurial capacity and skills for SMEs	Overdependence on donor-funded training programs leading to sustainability risk	4	4	16	H	• Diversify funding sources (private sector, PPPs, cost-sharing models) • Monetize selected training modules • Build self-sustaining incubation models	BASM
	High demand for free or subsidized training limiting financial sustainability	5	4	20	VH	• Introduce cost-sharing models • Strengthen resource mobilization strategy • Targeted sponsorship partnerships	BASM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
	Rapidly changing SME needs leading to skills mismatch	3	4	12	M	• Continuous curriculum review • Market intelligence systems • Adaptive training models and digital learning platforms	BASM
To facilitate SMEs access to market, technology and other support services	Limited geographical reach restricting SME inclusion	4	4	16	H	• Scale digital training platforms • Establish regional outreach hubs • Partner with counties and private sector	BASM ICTM
KRA 4: Strengthen Institutional Capacity							
To attract, develop and retain skilled and motivated staff.	Lack of succession planning framework leading to institutional knowledge loss	5	5	25	VH	• Develop and implement succession planning framework • Talent pipeline development and mentorship programs	HRAM
	Declining employee wellbeing and mental health affecting productivity	5	5	25	VH	• Employee wellness programs • Mental health support systems • Workload optimization and flexible work arrangements	HRAM
To enhance resource mobilization and prudent financial management	Weak resource mobilization strategy limiting institutional sustainability	4	5	20	H	• Establish dedicated resource mobilization unit • Strengthen partnerships and donor engagement strategy	BASM
	Declining Appropriation in Aid (AIA) affecting	4	5	20	H	• Strengthen revenue-generating projects	FM MRM IEDISM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
	operational sustainability					• Improve loan recovery and rent collection systems • Enhance financial discipline and controls	BASM
To leverage technology and digital transformation to enhance efficiency, service delivery, and operational effectiveness across KIE systems and processes.	Cybersecurity threats and system disruptions affecting institutional operations	4	5	20	VH	• Enterprise-wide cybersecurity framework • System redundancy and disaster recovery systems • Staff digital risk training	ICTM
To strengthen institutional visibility, brand positioning, and customer experience for improved stakeholder engagement and service satisfaction.	Low Brand Awareness: Potential clients (SMEs) may not be aware of KIE's products/services, leading to underutilization of resources.	Medium	High		Medium/ High	• Develop and implement a comprehensive Corporate Communication and Marketing Strategy; enhance digital presence and regional outreach.	MARKETING & PUBLIC RELATIONS
	Inconsistent Customer Service: Poor or inconsistent service delivery across different branches may lead to stakeholder dissatisfaction and negative brand image.	Medium	High		Medium/ High	• Implementation and monitoring of a Customer Service Charter; regular staff training on customer relationship management (CRM).	MARKETING & PUBLIC RELATIONS
	Resource Constraints: Inadequate budgetary allocation for visibility	High	Medium		Medium/ High	• Lobby for increased strategic funding; adopt cost-effective digital marketing and	FM BASM

Strategic Objective	Risk and Description	Risk Likelihood	Impact/ Severity	Overall Risk Level (Likelihood *Impact)		Mitigation Measure(s)	Risk owner
	campaigns and branding activities.					leverage strategic partnerships for co-branding.	
	Information Gap/ Misinformation: Lack of accurate or timely information provided to stakeholders regarding loan products or industrial space.	Low	High		Medium	• Regular updates of the institutional website and social media; establishing a centralized information help-desk/call center.	MARKETING & PUBLIC RELATIONS OM
To strengthen corporate governance, accountability, and enterprise risk management systems for improved institutional integrity and performance.	Governance and compliance failures affecting institutional integrity	4	5	20	H	• Strengthen internal audit and compliance systems • Enhance Board oversight and risk governance structures • Automate compliance tracking systems	IAM CS&LSM ICTM
To promote environmental sustainability and green industrialization through climate action, increased forest cover, and financing of green economy enterprises.	Climate change and environmental compliance risks affecting operations and estates	4	4	16	H	• Green compliance frameworks • Climate risk integration in lending and estates planning • Adoption of ESG reporting systems	OM CM BASM

CHAPTER SEVEN: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

Overview

This chapter presents the revised financial framework required to support the successful implementation of the KIE Strategic Plan 2023–2027 for the remaining period. It outlines the updated resource requirements necessary to achieve the Strategic Plan's objectives and deliver the planned outputs over the remaining implementation period.

The chapter further identifies prevailing resource gaps and sets out strengthened resource mobilization strategies and mechanisms aimed at bridging financing shortfalls. This is intended to ensure sustained implementation momentum, financial sustainability, and efficient allocation of resources in alignment with institutional priorities.

7.1 Financial Requirements

The Institution has adopted a Programme-Based Budgeting (PBB) approach in determining its revised resource requirements. This approach ensures that financial allocations are directly linked to programmes, strategic objectives, and measurable outputs, thereby strengthening accountability, efficiency, and results-based management. Through the mid-term review, KIE continues to align resource requirements to the updated implementation matrix, which operationalizes the Strategic Plan into clearly defined programmes and interventions.

KIE's revised strategic framework is anchored on Key Result Areas and corresponding strategic objectives, which are implemented through targeted strategies and activities. Each KRA is associated with specific financial requirements necessary to support delivery of planned outcomes. For the remaining implementation period of the KIE Strategic Plan 2023–2027, the Institution requires a total budget of Kshs 33,259.22 million (Thirty-Three Billion, Two Hundred Fifty-Nine Million, Two Hundred Twenty Thousand Shillings Only), compared to the initial projections established at the commencement of the Strategic Plan. This revision reflects emerging priorities, implementation progress, inflationary pressures, and realignment of strategic interventions arising from the mid-term review.The detailed revised resource requirements per programme and strategic area are presented in Table 7.1.

Table 7.1: Revised Strategic Plan Implementation Resource Requirements (2023–2027).

Key Result Area	Projected Resource Requirements (Kes. Mn)						Total Kes. Mn
	FY 2023/24	FY 2024/25	FY 2025/26		FY 2026/27	FY 2027/28	
KRA 1: Credit to SMEs	1,608.38	2,508.38	3,208.38		3,773.14	4,069.82	15,168.10
KRA 2: Industrial Estates and Incubation Services	0	0	0	-	6,552.00	56.5	6,608.50
KRA 3: Entrepreneurship Capacity Development and Linkages	5	5	9	-	36	31.5	86.5
KRA 4: Institutional Capacity Strengthening	571.75	877.75	885.75		2,677.80	3,372.05	8390.75
Sub-Total Programme costs	2,190.78	3,391.13	4,103.13	-	13,038.94	7,529.87	30,253.85
Administrative costs as follows							
Board Costs	29.52	29.24	30		30	30	148.76
Staff Costs	314.1	296.93	313.87		367.29	401.03	1693.22
Contracted services Costs	77.79	59.83	142.66		131.2	120.82	532.3
Administrative costs	155.99	121.89	114.28		119.42	125.15	636.73
Sub-total	577.4	507.89	600.81		647.91	677.01	3011.02
Grand Total - Required Resources	**2,762.53**	**3,899.02**	**4,703.94**	**11,365.49**	**13,686.85**	**8,206.88**	**33,259.22**
Resource Requirements for 2 Years (FY 2026/2027 - FY 2027/2028							**21,893.73**

Nb: Financial Resource requirements provided in Table 6.1 (Appendix 1) are only associated with the Key Result Areas, hence excludes administration costs

The estimated funds available for implementation of the revised KIE Strategic Plan 2023–2027 amount to Ksh. 33,259.22 million, compared to the earlier projected resource envelope of Ksh.29,494.50 million over the five-year period. This reflects a downward revision in available funding against an increased resource requirement arising from the mid-term review of the Strategic Plan.

A comparative analysis of the total revised resource requirement of Kshs. 33,259.22 million against the projected available funds of Kshs. 11,434.23 million indicates a financing shortfall. Consequently, the Institution faces a funding gap of 21,825.09 **million**, as summarized in Table 7.2 below..

Table 7.2: Resource Gaps (KShs. Mn)

Financial Year	Estimated Financial Requirement (Ksh. Mn)	Estimated Allocation (Ksh. Mn)	Variance (Ksh. Mn)
FY 2023/24	2,762.53	2,166.23	596.3
FY 2024/25	3,899.02	2,609.18	1,289.84
FY 2025/26	4,703.94	1,913.81	2,790.13
FY 2026/27	13,686.85	2,347.91	11,338.94
FY 2027/28	8,206.88	2,397.00	5,809.88
Total	**33,259.22**	11,434.13	**21,825.09**

Resources amounting to Kshs. 21,893.73 million are required for the effective implementation of planned activities over the remaining two financial years up to FY 2027/2028. Against this requirement, the projected available resources amount to 4,744.92 million, resulting in a funding gap of Kshs. 17,148.82 million, as summarized in Table 7.3 below:

Table 7.3: Required versus Available Resources; FY 2026/2027 to FY 2027/2028

Financial Year	Resource Requirement KShs.	Available Resources KShs.	Deficit in Resource Requirement KShs.
FY 2026/2027	13,686.85	2,347.91	11,338.94
FY 2027/2028	8,206.88	2,397.00	5,809.88
			17,148.82

7.2 Resource Mobilization Strategies

KIE will strengthen its resource mobilization architecture to ensure adequate, predictable, and diversified financing for the implementation of the revised Strategic Plan 2023–2027. This is informed by the widening resource requirements against constrained Exchequer allocations and the increasing demand for SME industrial support under BETA. To enhance financial sustainability and reduce over-reliance on National Treasury allocations, KIE will pursue a multi-source, blended financing model anchored on strategic partnerships and innovative funding mechanisms. Key interventions will include:

a) Strengthening Public Sector Financing

i) Deepening engagement with the National Treasury to secure enhanced and ring-fenced Exchequer allocations aligned to BETA priority value chains.
ii) Mobilizing sector-specific support through relevant line ministries, particularly for industrial development and SME value addition programs.

b) Development Partner and Multilateral Financing

i) Expanding collaboration with development partners to co-finance flagship SME incubation, industrial infrastructure, and capacity-building programmes.
ii) Structuring bankable, results-oriented proposals aligned to donor thematic priorities such as green industrialization, job creation, and enterprise development.
iii) Positioning KIE as a credible implementing partner for donor-funded SME transformation initiatives.

c) Private Sector and Stakeholder Co-Financing

i) Promoting structured Public–Private Partnerships (PPPs) to finance and operationalize industrial estates and incubation facilities.
ii) Leveraging corporate sponsorships and strategic industry partnerships to support SME development programmes and innovation hubs.

d) Diversification of Revenue Streams

i) Scaling up internally generated revenue through consultancy services including feasibility studies, industrial resource mapping, market research, and SME advisory services.
ii) Exploring sustainable alternative financing mechanisms including road-linked industrial support levies and other sectoral charges where applicable and legally feasible.

e) Institutional Resource Mobilization Capacity

i) Establishing a dedicated resource mobilization and partnerships function to coordinate funding acquisition, donor engagement, and proposal development.
ii) Leveraging digital platforms and strategic communication to enhance visibility, investor confidence, and fundraising reach.
iii) Documenting and communicating impact stories to strengthen funding competitiveness.

7.3 Resource Management

KIE will strengthen its resource management systems to ensure optimal utilization of financial, human, and technological resources in support of its mandate to develop SMEs in manufacturing and value addition sectors under BETA.The Institution will adopt a results-based, efficiency-driven resource management framework anchored on transparency, accountability, and performance optimization.

a) Programmatic Resource Prioritization and Alignment

i) Ensuring funding allocation is strictly aligned to prioritized BETA value chains, particularly edible oils, cotton, dairy, and building and construction materials.
ii) Strengthening appraisal mechanisms to ensure only high-impact, economically viable SME projects are funded.

b) Digital Transformation and Systems Efficiency

i) Leveraging technology and business process re-engineering to enhance automation of planning, monitoring, evaluation, and reporting systems.
ii) Strengthening data-driven decision-making through an integrated and up-to-date industrial and SME database system.

c) Strengthened Monitoring, Evaluation, and Performance Management

i) Enhancing internal M&E systems to track programme outcomes, financial absorption, and development impact.
ii) Institutionalizing a robust performance management framework to optimize resource utilization and accountability across all delivery units.

d) Knowledge, Innovation, and Technical Capacity

i) Leveraging internal and external expertise to support innovation in SME incubation models and industrial estate development.
ii) Continuous staff capacity development to enhance technical competence in project delivery, financial management, and enterprise development.

e) Strategic Partnerships and Collaboration

i) Deepening structured collaboration with government agencies, development partners, and private sector actors to reduce duplication and optimize resource use.
ii) Strengthening institutional partnerships for joint implementation of industrial infrastructure and SME support programmes.

f) Financial Governance and Compliance

i) Strengthening compliance with statutory, regulatory, and financial management frameworks to ensure accountability and audit readiness.
ii) Enhancing cost estimation systems and financial controls to improve budgeting accuracy and expenditure efficiency.

CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

Overview

This chapter outlines the Monitoring, Evaluation, and Reporting (MER) Framework that will guide the implementation of the reviewed KIE Strategic Plan 2023–2027 during the remaining implementation period following the Mid-Term Review conducted in May/June 2026. The framework provides mechanisms for tracking progress, measuring results, assessing performance, facilitating evidence-based decision-making, and enhancing accountability in the implementation of strategic interventions.

The framework is anchored on the principles of Results-Based Management (RBM), performance accountability, continuous learning, and adaptive management. It establishes systems for monitoring strategic objectives, evaluating outcomes and impacts, documenting lessons learned, and reporting performance to stakeholders. The framework will support KIE in assessing the extent to which planned outputs, outcomes, and strategic targets are achieved while informing corrective actions where necessary.

8.1 Monitoring Framework

KIE shall operationalize a comprehensive monitoring framework to ensure effective implementation of the reviewed Strategic Plan and timely identification and resolution of implementation challenges. Monitoring will be undertaken on a continuous basis through regular collection, analysis, and reporting of performance data across all strategic objectives and programmes.

The monitoring process will focus on tracking progress towards achievement of annual and medium-term targets, assessing implementation efficiency, and ensuring optimal utilization of institutional resources. To facilitate effective monitoring, each Directorate and Department shall:

(i) Develop annual work plans and performance contracts aligned to the reviewed Strategic Plan, with clearly defined targets, activities, budgets, and performance indicators;

(ii) Monitor implementation progress against approved targets, timelines, and resource allocations using standardized performance monitoring tools and reporting templates;

(iii) Establish and maintain reliable data collection, verification, and management systems to support evidence-based reporting;

(iv) Generate quarterly and annual performance reports highlighting achievements, challenges, lessons learned, and recommended corrective actions; and

(v) Participate in periodic performance review meetings to assess implementation progress and realign interventions where necessary.

Monitoring of the Strategic Plan shall be guided by Key Performance Indicators (KPIs) derived from the Strategic Plan Implementation Matrix and Results Framework. Key indicators shall include, but not be limited to:

- **(i)** Value of loans disbursed to SMEs under BETA priority value chains;
- **(ii)** Value of loans disbursed to SMEs in manufacturing and value addition sectors;
- **(iii)** Number of SMEs financed and supported;
- **(iv)** Number of industrial sheds and workspaces constructed or rehabilitated;
- **(v)** Occupancy rate of industrial estates and sheds;
- **(vi)** Number of SMEs receiving business development and incubation support services;
- **(vii)** Number of jobs created and sustained through KIE interventions;
- **(viii)** Customer satisfaction index;
- **(ix)** Revenue generated from KIE operations;
- **(x)** Level of automation and digitization of business processes;
- **(xi)** Staff productivity and institutional performance indicators;
- **(xii)** Compliance with corporate governance, risk management, and regulatory requirements;
- **(xiii)** Number of green enterprises financed; and
- **(xiv)** Number of trees planted and survival rate of planted trees.

Baseline values for performance measurement shall be derived from verified data obtained during the Mid-Term Review and other approved institutional records.
To promote organizational learning and continuous improvement, KIE shall regularly document lessons learned, best practices, innovations, and emerging opportunities arising from Strategic Plan implementation and integrate them into future planning and decision-making processes.

8.2 Performance Standards

The Implementation of the Strategic Plan shall be guided by established performance standards, quality assurance mechanisms, and Results-Based Management principles. These standards shall ensure that strategic interventions are implemented efficiently, effectively, economically, and sustainably.
The monitoring and evaluation process shall be guided by the following principles:

- (i) Accountability and Results Orientation;
- (ii) Transparency and Integrity;
- (iii) Accuracy, Reliability, and Timeliness of Information;
- (iv) Stakeholder Participation and Inclusivity;
- (v) Continuous Learning and Improvement;
- (vi) Collaboration and Strategic Partnerships;
- (vii) Value for Money and Resource Efficiency; and
- (viii) Compliance with Legal, Regulatory, and Policy Frameworks.

Performance assessments shall focus on measuring the relevance, efficiency, effectiveness, impact, and sustainability of KIE programmes, projects, and institutional initiatives.

8.3 Evaluation Framework

KIE shall establish a structured evaluation framework to assess the effectiveness, efficiency, relevance, sustainability, and impact of strategic interventions implemented under the reviewed Strategic Plan. The evaluation framework will provide evidence on the extent to which strategic objectives, outcomes, and institutional goals have been achieved and will inform management decisions, policy reviews, and future strategic planning processes. Specifically, the evaluation framework shall facilitate:

(i) Assessment of progress towards achievement of strategic objectives, outcomes, and impact targets;
(ii) Evaluation of the effectiveness and efficiency of strategies, programmes, and projects implemented under the Strategic Plan;
(iii) Identification of implementation successes, constraints, risks, and emerging opportunities;
(iv) Documentation of lessons learned and best practices for organizational learning;
(v) Generation of evidence for management decision-making and policy formulation; and
(vi) Recommendation of corrective and improvement measures to enhance institutional performance.

The Strategic Plan shall be evaluated through:

i Continuous monitoring and quarterly performance reviews;
ii Annual performance evaluations;
iii Mid-term reviews;
iv Thematic and programme-specific evaluations; and
v End-term evaluation at the conclusion of the Strategic Plan period.

The outcome performance matrix presented in Table 8.1 provides the basis for measuring progress towards the achievement of strategic outcomes, impact indicators, and institutional transformation envisioned under the reviewed Strategic Plan 2023–2027.

Table 8.1: Outcome Performance Matrix

KRA	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Achieved Mid-term	End-term
KRA 1: Credit to SMEs	Increased growth, competitiveness,	• SME survival rate (%)				

KRA	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Achieved Mid-term	End-term
	and sustainability of SMEs supported through affordable industrial financing.	• Jobs created and sustained				
		• Growth in sales turnover of financed SMEs (%)				
KRA 2: Industrial Estates Development and Incubation Services	Enhanced access to quality industrial infrastructure and productive utilization of industrial assets.	•Occupancy rate of industrial facilities (%)				
		• Revenue generated from industrial estates				
		• Number of SMEs operating in KIE facilities				
KRA 3: Entrepreneurship Capacity Development and Linkages	Strengthened entrepreneurial capacity, market competitiveness, and innovation among SMEs.	•Percentage of SMEs reporting improved business performance				
		• Number of SMEs accessing markets and technologies				
KRA 4: Strengthen Institutional Capacity	Enhanced institutional effectiveness, sustainability, governance, and service excellence.	• Customer satisfaction index (%)				
		• Employee engagement index (%)				
		• Corporate governance				

KRA	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Achieved Mid-term	End-term
		compliance index (%)				
		• Financial sustainability index (%)				

8.3.1 Mid-Term Evaluation

KIE conducted a Mid-Term Review and Evaluation of the Strategic Plan 2023–2027 during FY 2025/26 in accordance with the Kenya Evaluation Guidelines (2020), the National Integrated Monitoring and Evaluation System (NIMES), and the Kenya Norms and Standards for Monitoring and Evaluation. The Mid-Term Review assessed progress made towards the achievement of strategic objectives, key result areas, outputs, and outcomes during the first half of the Plan implementation period. The review further evaluated the relevance, effectiveness, efficiency, and sustainability of strategic interventions in light of the evolving operating environment, Government development priorities, and emerging stakeholder needs.

The findings of the Mid-Term Review informed the revision of targets, strategies, performance indicators, and resource requirements for the remaining implementation period. The review also identified implementation challenges, emerging opportunities, lessons learned, and priority interventions necessary to accelerate achievement of the Strategic Plan objectives by the end of the planning period.

8.3.2 End term Evaluation

KIE shall undertake an End-Term Evaluation of the reviewed Strategic Plan 2023–2027 in accordance with the Kenya Evaluation Guidelines (2020) and the Kenya Norms and Standards for Monitoring and Evaluation. The evaluation shall provide an independent and comprehensive assessment of the overall performance, results, and impact of the Strategic Plan. The End-Term Evaluation shall be conducted at least six months before the expiry of the Strategic Plan period to facilitate incorporation of findings, lessons learned, and recommendations into the formulation of the subsequent Strategic Plan.

Specifically, the End-Term Evaluation shall assess:

(i) **Effectiveness** – the extent to which strategic objectives, outcomes, and targets were achieved;

(ii) **Impact** – the contribution of KIE interventions towards industrial development, enterprise growth, employment creation, and economic transformation;

(iii) **Efficiency** – the extent to which resources were utilized optimally in delivering planned outputs and outcomes;

(iv) **Sustainability** – the likelihood that benefits realized from strategic interventions will be sustained beyond the implementation period;

(v) **Relevance** – the continued alignment of KIE programmes and interventions with national development priorities, stakeholder expectations, and market needs;

(vi) **Challenges and Risks** – the key constraints and risks encountered during implementation and their implications on performance;

(vii) **Lessons Learned and Best Practices** – strategic insights, innovations, and success factors that can inform future planning and implementation; and

(viii) **Recommendations and Improvement Measures** – actions required to strengthen future strategic planning, programme design, resource mobilization, governance, and institutional performance.

8.4 Reporting Framework and Feedback Mechanism

KIE shall establish a robust reporting and feedback framework to facilitate performance tracking, accountability, evidence-based decision-making, and continuous improvement during implementation of the Strategic Plan. The reporting framework shall provide mechanisms for systematic collection, analysis, documentation, and dissemination of information relating to activities, outputs, outcomes, resource utilization, risks, and institutional performance. The framework shall support timely assessment of implementation progress and provide management with reliable information for strategic decision-making and resource allocation.

Performance reporting shall be undertaken through quarterly, semi-annual, annual, and ad hoc reports generated by Directorates and Departments and consolidated at the institutional level. The reports shall highlight achievements against targets, emerging issues, implementation challenges, risks, lessons learned, and recommended corrective actions. The reporting system shall include:

(i) Annual Work Plan and Performance Contract Reports;
(ii) Quarterly and Annual Strategic Plan Implementation Progress Reports;
(iii) Programme and Project Performance Reports;
(iv) Financial and Resource Utilization Reports;
(v) Risk Management and Compliance Reports;
(vi) Customer Satisfaction and Stakeholder Feedback Reports; and
(vii) Mid-Term and End-Term Evaluation Reports.

To strengthen organizational learning and adaptive management, KIE shall establish feedback mechanisms that facilitate timely communication of monitoring and evaluation findings to Management, the Board of Directors, Government oversight institutions, development partners, and other stakeholders.

Findings arising from performance reviews, monitoring exercises, audits, stakeholder engagements, and evaluations shall be used to:

a) Inform strategic and operational decision-making;

b) Guide resource allocation and prioritization of interventions;
c) Identify implementation bottlenecks and emerging risks;
d) Institute corrective and preventive actions;
e) Enhance accountability and transparency; and
f) Support continuous improvement in programme delivery and institutional performance.

The Board of Directors and Management shall periodically review implementation progress and provide strategic direction to ensure successful attainment of the Strategic Plan objectives, outcomes, and institutional mandate.

APPENDICES

Appendix I: Reviewed Implementation Matrix for Strategic Plan 2023 –2027

Strategy	*Key activities*	*Expected output*	*Output indicators*	*Target for 5 Years*	*Annual Targets*							*5-Year Resource Requirements (Kes. Mns)*	*Budget (Amount in Kes. Mns)*						*Responsibility*	
					FY 2023/24	*FY 2024/25*	*FY 2025/26*	*Midterm Achievement*	*FY 2026/27*	*FY 2027/28*			*FY 2023/24*	*FY 2024/25*	*FY 2025/26*		*FY 2026/27*	*FY 2027/28*	*Lead*	*Support*
Strategic Issue: Limited access to affordable and sustainable SME financing.																				
Strategic Goal: Enhance access to affordable and sustainable financing for SME growth and industrial development.																				
KRA 1: Credit to SMEs																				
Outcome: Increased access to industrial financing resulting in sustainable SME growth, job creation, and industrial development.																				
Strategic Objective 1.1: To disburse KES 6 billion to SMEs under BETA priority value chains.																				
1.1.1 Prioritize financing to SMEs in BETA-aligned value chains	*1.1.1.1 Identify and profile eligible SMEs within BETA priority value chains.*	*SME financing pipeline established.*	*Number of SMEs profiled.*	*12,000*	*1,280*	*2,000*	*2,560*	*1,793*	*2,960*	*3,200*		*24*	*-*	*-*	*-*		*5.92*	*6.4*	*OM*	*BAS/MRM/OM/MPR/MLS/FM*
	1.1.1.2 Appraise and disburse loans to qualifying SMEs.	*Loans disbursed to SMEs.*	*Value of loans disbursed (KES).*	*6*	*0.64*	*1*	*1.28*	*1.793 B*	*1.48*	*1.6*		*6,000*	*640*	*1,000*	*1,280*		*1,480*	*1,600*	*CM*	*MRM/OM/MPR/MLS/CSPM/FM*
	1.1.1.3 Monitor performance and utilization of financed projects.	*Financed projects monitored.*	*Number of projects monitored.*	*12,000*	*1,280*	*2,000*	*2,560*		*2,960*	*3,200*		*36*	*-*	*-*	*-*		*8.88*	*9.6*	*MRM*	*CM/OM/*

1.1.2 Strengthen SME pipeline development and credit readiness	*1.1.2.1 Conduct entrepreneurship and financial literacy training programmes*	*SMEs trained on credit readiness.*	*Number of SMEs trained.*	*12,000*	*1,280*	*2,000*	*2,560*		*2,960*	*3,200*		*24*	*-*	*-*	*-*		*5.92*	*6.4*	*OM*	*CM/MRM/OM/ MPR/ BASM*
	1.1.2.2 Provide business advisory and technical assistance services.	*SMEs supported with technical assistance.*	*Number of SMEs receiving advisory support.*	*12,000*	*1,280*	*2,000*	*2,560*		*2,960*	*3,200*		*24*	*-*	*-*	*-*		*5.92*	*6.4*	*OM*	*BAS/MRM/OM /MPR/MLS/ FM*
	1.1.2.3 Facilitate preparation of bankable business plans and investment proposals.	*Bankable proposals developed.*	*Number of business plans prepared.*	*12,000*	*1,280*	*2,000*	*2,560*		*2,960*	*3,200*		*24*	*-*	*-*	*-*		*5.92*	*6.4*	*OM*	*CM MRM/ /MPR/ BASM*
1.1.3 Enhance strategic partnerships for SME financing	*1.1.3.1 Establish partnerships with financial institutions and development partners.*	*Financing partnerships established.*	*Number of partnership agreements signed.*	*10*	*2*	*2*	*2*	*6*	*2*	*2*	*4*	*0.95*	*0.19*	*0.19*	*0.19*		*0.19*	*0.19*	*BASM*	*FM*

	1.1.3.2 Develop co-financing and risk-sharing financing frameworks.	*Co-financing arrangements operationalized.*	*Number of co-financing arrangements established.*	*2*	*1*	*0*	*1*	*2*	*0*	*0*	*0*	*10*	*2*	*2*	*2*		*2*	*2*	*BASM*	*FM*
	1.1.3.3 Collaborate with county governments and private sector actors to mobilize SME financing opportunities.	*SME financing opportunities expanded.*	*Number of collaborative financing initiatives implemented.*	*5*	*2*	*2*	*1*	*5*	*0*	*0*		*10*	*2*	*2*	*2*		*2*	*2*	*BASM*	*OM*
Outcome: Enhanced industrial development, enterprise expansion, and value addition among SMEs in manufacturing sectors.																				
Strategic Objective 1.2: To disburse Kes 9 billion to SMEs in other manufacturing and value addition sectors.																				
1.2.1 Provide targeted financing to SMEs in diversified manufacturing and	*1.2.1.1 Identify and mobilize SMEs in manufacturing and value-addition sectors.*	*Eligible SMEs identified.*	*Number of SMEs identified.*	*18,000*	*1,920*	*3,000*	*3,840*	*2.72B*	*4,440*	*4,800*		*36*	*-*	*-*	*-*		*8.88*	*9.6*	*CM*	*MRM/OM/MPR/MLS/CSPM/FM*

value addition sectors.	*1.2.1.2 Process and disburse loans to eligible enterprises.*	*Financing provided to SMEs.*	*Value of loans disbursed (KES).*	*9*	*0.96*	*1.5*	*1.92*		*2.22*	*2.4*		*9,000*	*960*	*1,500*	*1,920*		*2,220*	*2,400*	*CM*	*MRM/OM/MPR/MLS/CSPM/FM*
	1.2.1.3 Conduct post-financing monitoring and support.	*SMEs supported after financing.*	*Number of SMEs monitored.*	*18,000*	*1,920*	*3,000*	*3,840*		*4,440*	*4,800*		*54*	*0*	*0*	*0*		*13.32*	*14.64*	*MRM*	*CM/OM/MLS*
1.2.2 Promote regional and sectoral balance in financing.	*1.2.2.1 Undertake County outreach and SME sensitization programmes*	*Increased awareness of KIE financing products.*	*Number of outreach programmes conducted.*	*10*	*2*	*2*	*2*	*6*	*2*	*2*	*4*	*0.95*	*0.19*	*0.19*	*0.19*		*0.19*	*0.19*	*BASM*	*FM*
	1.2.2.2 Establish financing quotas for underserved regions and sectors.	*Equitable financing framework operationalized.*	*Percentage of financing allocated to underserved areas.*	*2*	*1*	*0*	*1*	*2*	*0*	*0*	*0*	*10*	*2*	*2*	*2*		*2*	*2*	*BASM*	*FM*
	1.2.2.3 Support SMEs in emerging industrial	*SMEs in emerging sectors financed.*	*Number of SMEs financed in emerging sectors.*	*5*	*2*	*2*	*1*	*5*	*0*	*0*		*10*	*2*	*2*	*2*		*2*	*2*	*BASM*	*CM*

	sectors with growth potential.																			
1.2.3 Enhance access to finance through simplified lending processes.	*1.2.3.1 Review and streamline credit appraisal and approval procedures.*	*Lending process simplified.*	*Average loan processing period.*	*Reviewed loan application process 60 days*	-	-	-	-	*1 72 days*	*60 days*		3	0	0	0		3	0	*OM*	*CM LSM MRM FM*
	1.2.3.2 Develop tailored financing products for different SME segments.	*New SME financing products developed.*	*Number of financing products developed.*	*5*	-	*5*	-		*2*	*2*		*4*	*0*	0	0		*2*	*2*	*CM*	*FM/MRM/OM/MPR/CS PM,*
	1.2.3.3 Deploy digital loan application and tracking systems.	*Automated lending system operational.*	*Percentage of loan applications processed digitally.*	*100%*	-	-	-	-	50	100		5	0	0	0		5	0	*ICTM*	*OM*
Sub Total (Kes Mn)												*15,275.90*	*1,608.38*	*2,508.38*	*3,208.38*	-	*3,773.14*	*4,069.82*		
Strategic Issue: Inadequate and outdated industrial infrastructure limiting SME productivity and growth.																				
Strategic Goal: Expand, modernize, and optimize industrial estates and incubation infrastructure to support SME development.																				
KRA 2: Industrial Estates and Incubation Services																				
Outcome: Improved access to modern industrial workspaces and incubation facilities leading to enhanced SME productivity and competitiveness.																				

Strategic Objective 2.1: To enhance access to fit-for-purpose industrial workspaces through renovation and modernization of incubation centres and optimization of KIE land assets																				
2.1.1 Undertake comprehensive refurbishment and security enhancement of existing incubation centres and industrial workspaces.	*2.1.1.1 Renovate and rehabilitate industrial sheds and incubation facilities.*	*Refurbished industrial facilities.*	*Number of facilities renovated.*	*35*	*0*	*10*	*10*		*35*	*0*		*1,050*	*0*	*0*	*0*		*1,000*	*50*	*IED ISM*	*MD, FM*
	2.1.1.2 Upgrade perimeter fencing and security infrastructure.	*Upgrade perimeter fencing and security infrastructure.*	*Number of centres secured.*	*22*	*0*	*0*	*0*		*22*	*0*		*550*	*0*	*0*	*0*		*550*	*0*	*IED ISM*	*MD, FM*
	2.1.1.3 Improve utility infrastructure including water, power, and access roads.	*Improved infrastructure services.*	*Number of centres with upgraded utilities.*	*35*	*0*	*0*	*0*		*35*	*0*		*450*	*0*	*0*	*0*		*450*	*0*	*IED ISM*	*MD, FM*
2.1.2 Modernize incubation centres into fully equipped	*2.1.2.1 Procure and install modern production equipment and shared-use*	*Modernized incubation facilities.*	*Number of centres equipped.*	*35*	*0*	*0*	*0*		*35*	*0*		*980*	*0*	*0*	*0*		*980*	*0*	*IED ISM*	*MD, FM*

industrial hubs	*machinery.*																			
	2.1.2.2 Integrate digital technologies and smart business support systems.	*Digitized management of incubation centres.*	*Number of centres digitized.*	*35*	*0*	*0*	*0*		*35*	*0*		*0*	*0*	*0*	*0*		*0*	*0*	*IED ISM*	*ICTM*
2.1.3 Optimize KIE land assets through structured development and strategic partnerships	*2.1.3.1 Develop master plans for KIE land assets.*	*Land development plans prepared.*	*Number of master plans developed.*	*5*	*0*	*0*	*0*		*5*	*0*		*3.5*	*0*	*0*			*3.50*	*0*	*IED ISM*	*MD, FM, CPM*
	2.1.3.2 Construct new industrial sheds and workspaces on available land.	*Additional industrial workspace created.*	*Number of sheds/workspaces industrial workspaces constructed.*	*5*	*0*	*0*	*0*		*5*	*0*		*3,500*	*0*	*0*			*3,500*	*0*	*IED ISM*	*MD, FM, PM,*
	2.1.3.3 Establish partnerships for industrial park and estate development.	*Development partnerships established.*	*Number of partnership agreements signed.*	*5*	*0*	*0*	*0*		*0*	*0*		*15*	*0*	*0*			*15*	*0*	*IED ISM*	*MD, FM, CPM*
Outcome: Improved asset productivity and increased revenue generation from KIE properties and industrial estates.																				
Strategic Objective 2.2: To optimize the utilization and commercial value of KIE properties and industrial estates to enhance revenue generation, asset productivity, and financial sustainability.																				
2.2.1 Enhance	*2.2.1.1 Underta*	*Occupancy status*	*Number of*	*35*	*0*	*0*	*0*		*35*	*0*		*3.5*	*0*	*0*	*0*		*3.5*	*0*	*IED ISM*	*MD, FM, OM*

effective utilization of KIE properties and industrial estates.	*ke occupancy audits across industrial estates.*	*established.*	*occupancy audits conducted.*																	
	2.2.1.2 Reallocate and reorganize underutilized industrial spaces.	*Industrial space utilization improved.*	*Occupancy rate (%).*	*95%*	*78%*	*75%*	*78%*		*85%*	*95%*		*4*	*0*	*0*	*0*		*2.0*	*2.0*	*IED ISM*	*FM, OM*
2.2.2 Develop and implement a structured asset commercialization framework	*2.2.2.1 Develop and operationalize an asset commercialization policy.*	*Commercialization framework established.*	*Commercialization policy approved.*	*1*	*0*	*0*	*0*		*1*	*0*		*0*	*0*	*0*	*0*		*0*	*0*	*IED ISM*	*LM, FM, CPM, OM, PM*
	2.2.2.2 Develop PPP and joint venture projects for industrial estate development.	*PPP projects initiated.*	*Number of PPP projects implemented.*	*5*	*0*	*0*	*0*		*2*	*3*		*7.5*	*0*	*0*	*0*		*3.0*	*4.5*	*IED ISM*	*MD, FM, LM, CPM, PM*
2.2.3 Strengthen asset management	*2.2.3.1 Develop an integrated asset manage*	*Asset management system operational.*	*Asset management system established.*	*100%*	*45%*	*45%*	*45%*		*80%*	*100%*		*0*	*0*	*0*	*0*		*0*	*0*	*IED ISM*	*MD, FM, , IT*

systems and data-driven decision-making.	*ment information system.*																			
	2.2.3.2 Undertake regular valuation of KIE properties and assets.	*Updated asset valuation database.*	*Number of assets valued.*	*100%*	*0%*	*0%*	*0%*		*2%*	*100%*		*25*	*0*	*0*	*0*		*25*	*0*	*IED ISM*	*MD, FM, PM*
	2.2.3.3 Implement preventive maintenance and lifecycle asset management programmes	*Improved asset condition and longevity.*	*Percentage of assets adopted on the preventive maintenance program.*	*100%*	*0%*	*0%*	*0%*		*10%*	*100%*		*15*	*0*	*0*	*0*		*20*	*0*	*IED ISM*	*MD, FM, PM*
Sub Total (Kes Mn)												*-*	*-*	*-*	*-*	*6,552.00*	*56.50*	*-*		
Strategic Issue: Low SME competitiveness due to weak entrepreneurial capacity, limited market access, and low technology adoption.																				
Strategic Goal: Strengthen SME capacity, incubation support, market linkages, and technology adoption for enterprise growth and sustainability																				
KRA 3: Entrepreneurship Capacity Development and Linkages																				
Outcome: Strengthened entrepreneurial capabilities and market integration resulting in resilient, innovative, and competitive SMEs.																				
Strategic Objective 3.1: To enhance entrepreneurial capacity and skills for SMEs.																				
3.1.1 Deliver structured	*3.1.1.1 Develop and deliver*	*SMEs trained in business*	*Number of SMEs trained.*	*250,000*	*50,000*	*50,000*	*50,000*	***315,464***	*50,000*	*50,000*	***100,000***	*25*	*5*	*5*	*5*		*5*	*5*	*BAS*	*OM*

capacity -building and skills development programmes to strengthen SME managerial, technical, and operational competencies.	*entrepreneurship, business management, and financial literacy training programmes*	*management skills.*																		
	3.1.1.2 Conduct sector-specific technical and production skills training for SMEs.	*SMEs equipped with technical skills.*	*Number of technical training programmes conducted.*	*13*	*-*	*-*	*2*		*11*	*-*		*4*	*-*	*-*	*2*		*2*	*2*	*BAS*	*OM*
	3.1.1.3 Organize business clinics, workshops, and enterprise development forums.	*SME capacity development forums conducted.*	*Number of forums/ workshops held.*	*700*	*-*	*-*	*-*	***-***	*456*	*244*		*4*	*-*	*-*	*2*		*2*	*2*	*BAS*	*OM*
3.1.2 Institutionalize business advisory services through coaching, counsell	*3.1.2.1 Establish and operationalize an SME coaching and mentorship*	*Coaching and mentorship programme established.*	*Number of SMEs mentored.*	*4,000*	*-*	*-*	*-*		*2,000*	*2,000*	***4,000***	*5*					*2.5*	*2.5*	*BAS*	*OM*

ing, and mentorship to support SME growth, resilience, and sustainability.	*programme.*																			
	3.1.2.2 Provide business counselling and enterprise advisory services to SMEs.	*SMEs supported through advisory services.*	*Number of SMEs receiving advisory services.*	*500*	*-*	*-*	*-*		*350*	*150*		*42.5*	*-*	*-*	*-*		*22.5*	*20*	*BAS*	*OM*
	3.1.2.3 Develop a pool of business mentors and industry experts to support enterprise growth.	*Mentor network established.*	*Number of mentors onboarded.*	*1*	*-*	*-*	*-*		*1*	*-*		*1*	*-*	*-*	*-*		*1*	*-*	*BAS*	*OM*
Outcome: Improved SME competitiveness, market access, and integration into value chains.																				
Strategic Objective 3.2: To facilitate SMEs access to market, technology and other support services.																				
3.2.1 Leverage strategic networks and partnerships to expand SME access to information, technology, and	*3.2.1.1 Establish partnerships with industry associations, technology providers, and market actors.*	*Strategic partnerships established.*	*Number of partnership agreements signed.*	*4*	*-*	*-*	*-*		*2*	*2*	***4***	*1*	*-*	*-*	*-*		*1*	*-*	*BAS*	*OM*

business linkages, targeting at least 5,000 SMEs annually.	*3.2.1.2 Organize trade fairs, exhibitions, buyer-seller forums, and business linkage events.*	*Market linkage events conducted.*	*Number of SMEs linked to markets.*	*25,000*	*5,000*	*5,000*	*5,000*	*21,386*	*5,000*	*5,000*		-	-	-	-	-	-	-	*BAS*	*OM*
Sub Total (Kes Mn)												*82.50*	*5.00*	*5.00*	*9.00*	-	*36.00*	*31.50*		
Strategic Issue: Weak institutional capacity, systems, governance, and resource base affecting effective service delivery.																				
Strategic Goal: Strengthen institutional capacity, governance, digital systems, financial sustainability, and operational efficiency for effective mandate delivery.																				
KRA 4: Institutional Capacity																				
Outcome: A financially sustainable, digitally enabled, and well-governed institution delivering efficient, customer-centric, and impactful services.																				
Strategic Objective 4.1: To attract, develop and retain skilled and motivated staff.																				
4.1.1 Strengthen talent acquisition and workforce planning.	*4.1.1.1 Conduct workforce planning and staffing needs assessments.*	*Workforce plans developed.*	*Number of workforce plans developed.*	-	-	-	-	-	*1 report on workforce planning*	*Implement the recommendations*		*7.5*	-	-	-	-	*7.5*	-	*HR AM*	*MD FM HODs*
	4.1.1.2 Conduct workload analysis to determine optimal	*Workload analysis report developed*	*Workload analysis report completed.*	-	-	-	-	-	*1 workload analysis report on workforce*	*Implement the recommendations*		-	-	-	-	-	-	-	*HR AM*	*MD FM HODs*

staffing requirements.								planning											
4.1.1.3 Review and establish an optimal staffing structure based on workload analysis findings.	Approved staffing establishment and structure.	Staffing establishment approved.	1	1	-			Approved staff establishment	Approved staff establishment		7	2				5	-	HR AM	MD FM HODs
4.1.1.4 Undertake skills gap analysis to inform recruitment and development priorities	Critical skills gaps identified and documented.	Skills gap analysis report developed.	1 skills gap analysis report	-	-	-	-	1 skills gap analysis report	Implement the recommendations		1.5	-	-	-	-	0.5	1	HR AM	MD FM HODs
4.1.1.5 Recruit and onboard critical technical, professional, and leadership staff.	Skilled staff recruited.	Number of staff recruited.	64	-	-	-	-	20	44		-	-	-	-	-	-	-	HR AM	HODs
4.1.1.6 Develop and impleme	Succession plans devloped and	Percentage of critical positions	1	-	1	-	-	1 succession	Implement the recomm		1	-	1	-	1	-	-	HR AM	HODs

	nt succession planning and talent management programmes.	*implemented.*	*with succession plans.*						*plan report*	*endations*										
4.1.2 Enhance employee development, learning, and knowledge management.	*4.1.2.1 Develop and implement annual staff training plans.*	*Staff trained and developed.*	*Number of staff trained.*	*196 staff trained*	-	-	-	-	*196 staff trained*	*196 staff trained*		*60*	-	-	-	-	*30*	*30*	*HR AM*	*MD FM HODs*
	4.1.2.2 Implement leadership and management development programmes	*Leadership capacity strengthened.*	*Number of staff completing leadership programmes.*	*20 staff to participate in Leadership programmes*	-	-	-	-	*10 staff to participate in Leadership programmes*	*10 staff to participate in Leadership programmes*		*6*	-	-	-	-	*3*	*3*	*HR AM*	*MD FM HODs*
	4.1.2.3 Develop and implement a knowledge management framework and institutional learning system.	*Knowledge management system operationalized.*	*Number of knowledge products developed.*	*Implement the recommendations*	-	-	-	-	*1 Knowledge Management report*	*Implement the recommendations*	*3*	*12*	-	-	-	-	*5*	*7*	*HR AM*	*MD FM HODs*

4.1.3 Strengthen employee engagement and organizational culture.	*4.1.3.1 Conduct employee engagement surveys.*	*Employee engagement survey report developed and engagement index established.*	*Employee engagement index (%).*	*Implement the recommendations*	-	-	-	-	*1 Employee engagement survey report*	*Implement the recommendations*		*8*	-	-	-	-	*8*	-	*HR AM*	*MD FM HODs*
	4.1.3.2 Undertake employee/work environment surveys.	*Work environment survey report with actionable improvement areas.*	*Work environment satisfaction index (%).*	-	-	-	-	-	*1 work environment survey report*	*Implement the recommendations*		*10*	-	-	-	-	*10*	-	*HR AM*	*MD FM HODs*
	4.1.3.3 Implement staff recognition and reward programmes	*Structured employee recognition and reward system implemented.*	*Number of recognition initiatives implemented/Number of employees recognized/ rewarded annually..*	-	-	-	-	-	*Staff recognition and reward system*	*Implement the recommendations*		*15*	-	-	-	-	*7.5*	*7.5*	*HR AM*	*MD FM HODs*
	4.1.3.4 Conduct organizational culture and team-building	*organizational culture initiatives conducted*	*Number of team-building/ culture transformation activities conducted.*	*Team building programme for 196 staff*	-	-	-	-	*Team building programme for 196 staff*	*Team building programme for 196 staff*		*28* *200* *5*	-	-	-	-	*14* *100* *2.5*	*14* *100* *2.5*	*HR AM*	*MD FM HODs*

	programmes																			
	4.1.3.5 Implement employee feedback and internal communication programmes	*Functional employee feedback and internal communication system established.*	*Number of feedback mechanisms implemented and employee feedback response rate (%).*	*Implement the developed feedback mechanisms and employee programs*	-	-	-	-	*Developed feedback mechanism system and employee programmes*	*Implement the developed feedback mechanisms and employee programs*	-	-	-	-	-	-	-	-	*HR AM*	*MD FM HODs*
4..1.4 Enhance performance management and productivity systems.	*4.1.4.1 Strengthen performance contracting and appraisal systems.*	*Performance management system enhanced.*	*Percentage of staff appraised annually*	*5 Reports on performance Appraisals for FY 2027/28*	1	1	1	3	*Report on performance Appraisals for FY 2026/27*	*Report on performance Appraisals for FY 2027/28*		-	-	-	-	-	-	-	*HR AM*	*MD HODs*
	4.1.4.2 Monitor staff productivity and performance targets.	*Staff performance monitored.*	*Percentage of performance targets achieved.*	*5 Reports on performance target setting for FY 2027/28*	*Report on performance target setting for FY 2026/27*	*Report on performance target setting for FY 2027/28*	*Report on performance target setting for FY 2026/27*	*3 Report on performance target setting for FY 2027/28*	*Report on performance target setting for FY 2026/27*	*Report on performance target setting for FY 2027/28*		-	-	-	-	-	-	-	*HR AM*	*MD HODs*
	4.1.4.3 Automate performance management processes.	*Digital performance management system established.*	*System operationalized.*	*1*	-	-	-	-	*Digitalized performance management system*	*To continue using the digitalized system on matter*		-	-	-	-	-	-	-	*HR AM*	*MD FM ICT,M*

										performance management										
4.1.5 Strengthen employee wellbeing and HR administration systems.	*4.1.5.1 Implement employee wellness and psychosocial support programmes*	*Staff mental health/wellbeing programmes implemented.*	*Number of wellness programmes implemented.*	*3*	-	*1*	-	*Nil*	*2 wellness programmes*	*2 wellness programmes*		*4.5*	*1.5*	-	-	-	*1.5*	*1.5*	*HR AM*	*MD FM*
	4.1.5.2 Digitize HR records and employee self-service functions.	*HR systems automated.*	*Percentage of HR processes digitized.*	*Digitized HR Processes*	-	-	-	-	*Digitized HR Processes*	*To continue using the digitalized processes*		*6*	-	-	-	-	*3*	*3*	*HR AM*	*MD FM*
	4.1.5.3 Review and strengthen HR policies and procedures.	*HR policy framework enhanced.*	*Number of HR policies reviewed.*	*HR policy reviewed awaiting approval*	-	-	-	-	*HR policy reviewed awaiting approval*	-	-	-	-	-	-		-	-	*HR AM*	*MD FM ICT,M*
	4.1.5.4 Strengthen employee welfare and support systems	*Comprehensive employee benefits/welfare and support programme implemented*	*Number of welfare programmes implemented annually*	*2 Employee fitness and health programme Develop a*	-	*1*	-	*nil*	*1 Employee fitness and health programme Develop a*	*1 Employee fitness and health programme*		-	*6*	*2*	*2*	*nil*	*6*	*2*	*HR AM*	*MD FM HODs*

				mortgag e scheme					*mortg age schem e*	*Implem ent the mortgag e scheme*										
Outcome: Strengthened financial sustainability and diversified resource base.																				
Strategic Objective 4.2: To enhance resource mobilisation and prudent financial management.																				
4.2.1 Diversify and strengthen resource mobilisation mechanisms to enhance financial sustainability.	*4.2.1.1 Review and implement a resource mobilization strategy.*	*Resource mobilization framework established.*	*Resource mobilisation Strategy approved and implemented.*	*RMS Developed*	-	-	-	-	1			-	-	-	-	-	3	-	*BASM*	*FM CSPM*
	4.2.1.2 Develop and implement annual resource mobilisation plans and funding proposals	*Annual resource mobilisation plans and proposals.*	*Number of annual resource mobilisation plans and proposals developed*	*10*	-	-	-	-	5	5	10	-	-	-	-	-	-	-	*BASM*	*FM CSPM*
	4.2.1.3 Pursue partnerships with development partners and investors.	*Additional funding secured.*	*Value of resources mobilized.*	*10 partnes hips establsied* *10 billon*	-	-	-	-	4 4	6 6		-	-	-	-	-	5	5	*BASM*	*FM CSPM*

	4.2.1.4 Develop innovative financing mechanisms and investment products.	*Alternative financing instruments developed.*	*Number of financing instruments introduced.*	*2*	*-*	*-*	*-*	*-*	*1*	*1*		*-*	*-*	*-*	*-*	*-*	*5*	*5*	*FM*	*BASM*
4.2.2 Strengthen financial management, accountability, and resource utilization systems	*4.2.2.1 Enhance budgeting, financial planning, and expenditure controls*	*Improved financial management systems.*	*Budget absorption rate (%).*	*Budget absorption rate (%).*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*-*	*-*	*-*	*-*	*1,911*	*1,986*	*2,508 M*	*FM*	
	4.2.2.2 Strengthen internal controls and compliance monitoring.	*Accountability systems strengthened.*	*Number of audit issues resolved.*	*Number of audit issues resolved.*	*5*	*-*	*-*	*1*		*2*	*2*		*50*	*-*	*-*	*-*		*50*	*FM*	
	4.2.2.3 Automate financial reporting and management processes.	*Financial systems automated.*	*Percentage of financial processes automated.*	*Percentage of financial processes automated.*	*100*	*30*	*30*	*30*	*50*	*70*	*75*		*100*	*-*	*-*	*58 M*	*20*	*22*	*FM*	
4.2.3 Enhance loan portfolio	*4.2.3.1 Strengthen loan monitori*	*Loan portfolio performance*	*Portfolio at Risk (PAR).*	*15%*	*21.8%*	*18.8%*	*20.9%*		*15%*	*15%*		*5*	*-*	*-*	*-*	*-*	*2.5 M*	*2.5M*	*MRM*	*FM,CM,OM,HR*

performance and debt recovery to safeguard financial assets.	*ng and portfolio management systems.*	*improved.*																		
	4.2.3.2 Implement debt recovery and arrears management programmes	*Loan recoveries enhanced.*	*Value of loans recovered.*	*6B*	*1B*	*1.1B*	*1.2B*	*4.3B*	*1.3B*	*1.4B*	*6B*	*10M*	*-*	*-*	*-*	*-*	*5M*	*5M*	*MRM*	*FM,CM,OM,HR*
	4.2.3.3 Conduct regular credit risk assessments and portfolio reviews.	*Credit risk managed effectively.*	*Number of portfolio reviews conducted.*	*20*	*4*	*4*	*4*		*4*	*4*		*10M*	*-*	*-*	*-*	*-*	*5M*	*5M*	*MRM*	*FM,CM,OM*
Outcome: Improved efficiency and accessibility of services through digitalization and automation.																				
Strategic Objective 4.3: To leverage technology and digital transformation.																				
4.3.1 Strengthen ICT governance and strategic planning.	*4.3.1.1 Develop and implement a Ten Years ICT Master Plan.*	*ICT 10 Year Master Plan.*	*ICT Master Plan implemented.*	*A 10-Year ICT Master Plan Developed* *10% percentage implementation*	*-*	*-*	*-*		*1 ICT Master Plan*			*15*	*-*	*-*	*-*		*10*	*5*	*ICTM*	*CSPM*
	4.3.1.2 Establish ICT governa	*Implementation Rate*	*% Implementation rate*	*20%*	*-*	*-*	*-*		*8%*	*12%*		*30*	*-*	*-*	*-*		*15*	*15*	*ICTM*	*FM*

	nce and oversight structures.																			
	4.3.1.2 Establish ICT governance and oversight structures	*ICT governance strengthened.*	*Number of ICT governance meetings held.*	*8*	*-*	*-*	*-*		*4*	*4*		*-*	*-*	*-*	*-*		*5*	*5*	*ICT M*	
4.3.2 Strengthen ICT infrastructure and digital connectivity.	*4.3.1.3 Monitor and evaluate digital transformation initiatives.*	*Digital transformation performance tracked.*	*Percentage of ICT projects successfully implemented.*	*100%*	*-*	*-*	*-*		*85%*	*100%*		*-*	*-*	*-*	*-*		*5*	*5*	*ICT M*	*CSPM*
	4.3.2.1 Upgrade ICT infrastructure and network systems.	*ICT infrastructure modernized.*	*Number of sites upgraded.*	*36*	*_*	*_*	*8*		*14*	*14*		*36*	*_*	*_*	*8*		*14*	*14*	*ICT M*	*FM*
	4.3.2.2 Improve connectivity across all KIE offices and centres.	*Enhanced ICT connectivity.*	*Network uptime (%).*	*99.9%*	*-*	*-*	*-*		*95%*	*99%*		*-*	*-*	*-*	*-*		*10*	*10*	*ICT M*	
4.3.3 Digitize and automate business	*4.3.2.3 Procure and deploy modern ICT*	*ICT tools acquired and deployed.*	*Number of ICT assets deployed.*	*200*	*5*	*55*	*50*		*50*	*40*		*49.50*	*1.25*	*13.75*	*12.25*		*12.25*	*10.00*	*ICT M*	*FM*

processes.	*equipment and software.*																			
	4.3.3.1 Automate loan management and customer service processes.	*Business processes automated.*	*Percentage of processes automated.*	*100%*	-	-	-	-	*60%*	*90%*		40	-	-	-	-	20	20	*ICT M*	*FM*
	4.3.3.2 Deploy and operationalize an Integrated Banking and Enterprise Resource Planning (ERP) platform.	*Integrated digital business platform /Digital workflows operationalized.*	*Number of workflows automated.*	*30*	-	-	-	-	20	10		20	-	-	-	-	10	10	*ICT M*	
4.3.4 Strengthen cybersecurity, data governance, and regulatory compliance.	*4.3.3.3 Develop business intelligence and reporting dashboards.*	*Data-driven decision-making enhanced.*	*Number of dashboards operational.*	*13*	-	-	-	-	6	7		25	-	-	-		13	12	*ICT M*	
	4.3.4.1 Implement cybersecurity	*ICT systems secured.*	*Percentage reduction in numberof*	*10%Reduction rate*	-	-	-		*10%*	*10%*							10	10	*ICT M*	

	monitoring and protection systems.		*cybersecurity incidents resolved.*																	
	4.3.4.2 Implement CTM360, Data Loss Prevention (DLP), and other cybersecurity solutions	*Operational CTM360 and digital risk management systems.*	*CTM360 platform operational*	*1 platform operationalised*					*-*	*1*		*40*	*_*	*_*	*_*		*-*	*40*	*ICT M*	
	4.3.4.3 Develop data governance and information management policies.	*Data governance framework established.*	*Policies developed and implemented.*	*3*	*_*	*_*	*3*		*_*	*_*		*5*	*_*	*_*	*2.5*		*2.5*	*_*	*ICT M*	
	4.3.4.4 Conduct cybersecurity awareness and compliance training.	*Staff cyber awareness enhanced.*	*Number of staff trained.*	*260*	*_*	*_*	*_*		*100*	*130*		*20*	*_*	*_*	*_*		*10*	*10*	*ICT M*	
Outcome: Enhanced stakeholder trust, visibility, and customer satisfaction.																				
Strategic Objective 4.4: To strengthen institutional visibility, brand positioning, and customer experience.																				

4.4.1 Expand institutional reach and service footprint through strategic branch network growth.	*4.4.1.1 Establish new branch offices in strategic regions.*	*Expanded service network.*	*Number of branches established.*	*15*	*-*	*-*	*-*	*-*	*5*	*10*	*15*	*150M*	*-*	*-*	*-*	*-*	*50 M*	*100 M*	*OM*	
	4.4.1.2 Conduct feasibility studies for branch expansion.	*Branch expansion plans developed.*	*Number of studies completed.*	*15*	*-*	*-*	*-*	*-*	*5*	*10*	*15*	*3M*	*-*	*-*	*-*	*-*	*1*	*2*	*OM*	
	4.4.1.3 Strengthen service delivery infrastructure in existing branches.	*Improved branch operations.*	*Number of branches upgraded.*	*15*	*-*	*-*	*-*	*-*	*5*	*10*	*15*	*45M*	*-*	*-*	*-*	*-*	*15*	*30*	*OM*	
4.4.2 Strengthen brand visibility and institutional recognition.	*4.4.2.1 Conduct integrated marketing and awareness campaigns.*	*Increased public awareness.*	*Number of campaigns conducted.*	*20*	*4*	*8*	*8*	*20*	*4*	*4*	*28*	*4M*	*400 K*	*800 K*	*800 K*	*2M*	*1M*	*1M*	*M&PRM*	
	4.4.2.2 Participate in exhibitions, trade fairs, and stakehol	*Institutional visibility enhanced.*	*Number of events participated in.*	*20*	*-*	*-*	*-*	*-*	*10*	*10*	*20*	*60*	*-*	*-*	*-*	*-*	*30*	*30*	*M&PRM*	

	der forums.																			
	4.4.2.3 Develop strategic stakeholder engagement programmes.	Stakeholder relationships strengthened.	Number of stakeholder engagements conducted.	5	-	-	-	-	2	3	5	8	-	-	-	-	3	5	M&PRM	
4.4.3 Enhance customer experience through service excellence.	4.4.3.1 Conduct periodic customer satisfaction surveys.	Customer feedback generated.	Customer satisfaction index (%).	88%	-	-	-	-	85%	88%		-	-	-	-	-	3	3	M&PRM	
	4.4.3.2 Strengthen customer complaint handling mechanisms.	Improved customer responsiveness.	Complaint resolution rate (%).	100%	100	100	100	100	100	100	100	-	-	-	-	-	-	-	M&PRM	
	4.4.3.3 Implement service quality improvement initiatives.	Enhanced service standards.	Service charter compliance rate (%).	100%	100	100	100	100	100	100	100	10	-	-	-	-	10	-	M&PRM	
4.4.4 Develop and implement an integrat	4.4.4.1 Develop and implement a corporat	Communication strategy operationalized.	Strategy implemented.	1	-	-	-	-	1	-1		3	-	-	-	-	3	-	M&PRM	

ed corporate communication and brand management strategy.	*e communication strategy.*																			
	4.4.4.2 Strengthen digital communication and social media presence.	*Online visibility enhanced.*	*Growth in digital audience engagement.*	*100,000*	-	-	-	-	*40,000*	*60,000*	*100,000*	*10*	-	-	-		*4*	*6*	*M&PRM*	
	4.4.4.3 Produce and disseminate institutional publications and success stories.	*Corporate communication products developed.*	*Number of publications produced.*	*32 (Monthly and quarterly bulletin)* *108 digital media postings* *24 YouTube uploads* *Live streaming of corporate public events*	-	-	-	-	*16* *52* *12* *4*	*16* *52* *12* *4*		*20*	-	-	-	-	*10*	*10*	*M&PRM*	
Outcome: Improved governance compliance, accountability, and risk management effectiveness.																				
Strategic Objective 4.5: To strengthen corporate governance, accountability, and enterprise risk management systems.																				

4.5.1 Strengthen corporate governance and institutional accountability frameworks.	*4.5.1.1 Review and implement governance policies and frameworks.*	*Governance framework strengthened.* *Legal Compliance audit conducted*	*Number of governance policies reviewed.* *Legal Compliance Report Developed and Implemented*	*1* *1*	*N/A*	*N/A*	*N/A*	*N/A*	*1*	*-* *1*	*10*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*10*	*-* *4*	*CS &M LS*	
	4.5.1.2 Enhance Board effectiveness through training and evaluation.	*Board capacity strengthened.*	*Board evaluation score.*	*100%*	*N/A*	*N/A*	*N/A*	*N/A*	*100%*	*100%*		*-*	*-*	*-*	*-*	*-*		*-*	*CS &M LS*	
	4.5.1.3 Strengthen compliance monitoring and reporting systems.	*Compliance levels improved.*	*Governance compliance index (%).*	*100%*	*-*	*-*	*-*	*-*	*100%*	*100%*		*-*	*-*	*-*	*-*	*-*	*-*		*CS &M LS*	
	4.5.1.4 Create real time digital visibility of strategy and Performance contract execution	*Effective oversight of execution of strategy and PC*	*Digital platform in place*	*1*	*-*	*-*	*-*	*-*	*1*	*-*	*1*	*5*	*-*	*-*	*-*	*-*	*5*	*-*	*CSPM*	

4.5.2 Institutionalize enterprise risk management and fraud prevention systems.	*4.5.2.1 Review and implement enterprise risk management plans.*	*Risk management framework operationalized.*	*Percentage of strategic risks mitigated.*	*200*	*40*	*40*	*40*		*40*	*40*		*20*	*5*	*5*	*5*		*5*	*5*	*MRM*	*FM,HR*
	4.5.2.2 Conduct periodic risk assessments and risk audits.	*Organizational risks identified and managed.*	*Number of risk assessments conducted.*	*200*	*40*	*40*	*40*		*40*	*40*		*20*	*5*	*5*	*5*		*5*	*5*	*MRM*	*FM,HR*
	4.5.2.3 Strengthen fraud prevention, detection, and reporting mechanisms.	*Fraud management systems strengthened.*	*Numbers of fraud risk assessments conducted.*	*5*	*-*	*-*	*-*		*1*	*1*		*2M*	*-*	*-*	*-*		*1M*	*1M*	*MIA*	*MRM,FM,HR*
Outcome: Enhanced environmental sustainability and growth of green and circular economy enterprises.																				
Strategic Objective 4.6: To promote environmental sustainability and green industrialization.																				
4.6.1 Promote climate action and environmental restoration through	*4.6.1.1 Plant and maintain at least one million trees annually.*	*Increased forest cover.*	*Number of trees planted and surviving.*	*2.03*	*10,000*	*10,000*	*10,000*	*30,000*	*1*	*1*	*2.03*	*203*	*1*	*1*	*1*	*3*	*100*	*100*	*OM*	

structured afforestation and sustainability programmes.	*4.6.1.2 Implement environmental conservation and awareness programmes.*	*Environmental stewardship enhanced.*	*Number of environmental initiatives implemented.*	*20 (1/ region/year)*	-	-	-	-	*10*	*10*		*20*	-	-	-		*10*	*10*	*OM*	
	4.6.1.2 Mainstream climate resilience measures in KIE operations and projects.	*Climate-responsive projects implemented.*	*Percentage of projects integrating climate measures.*	*70%*	-	-	-	-	*40%*	*70%*		*30*	-	-	-	-	*10*	*20*	*IED ISM*	
4.6.2 Enhance financing and support for green economy enterprises and sustainable industrial development.	*4.6.2.1 Finance SMEs engaged in renewable energy, recycling, and green manufacturing.*	*Green enterprises supported.*	*Number of green enterprises financed.*	*100*	-	*25*	*25*		*25*	*25*		*200*	-	*50*	*50*		*50*	*100*	*CM*	*MRM/OM/MLS/CSPM/FM/MPR*
	4.6.2.2 Provide technical assistance and incubation support for green	*Green enterprises strengthened.*	*Number of green enterprises supported.*	*100*	-	*25*	*25*		*25*	*25*		*0.2*	-	-	-		*0.05*	*0.05*	*BASM*	*MRM/OM/ CM*

	businesses.																			
Sub total												1,490.20	571.75	877.75	885.75		2,67.80	3,372.05		
Grand Total													2,185.13	3,391.13	4,103.13		13,038.94	7,529.87		

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