



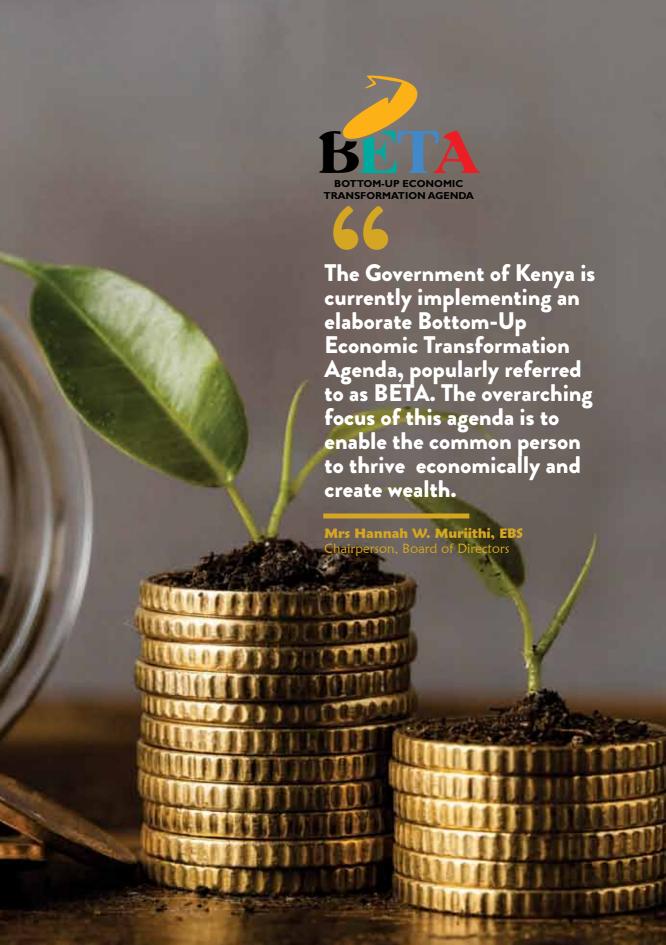
STRATEGIC PLAN

2023 - 2028











VISION

A reliable, effective Deposit Insurer and Resolution Authority.



MISSION

To protect depositors and enhance public confidence in the financial system by promoting sound risk management and timely resolution,



CORE VALUES

Professionalism Integrity Teamwork Innovativeness Customer Focus Accountability

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Safer, Stronger, Together

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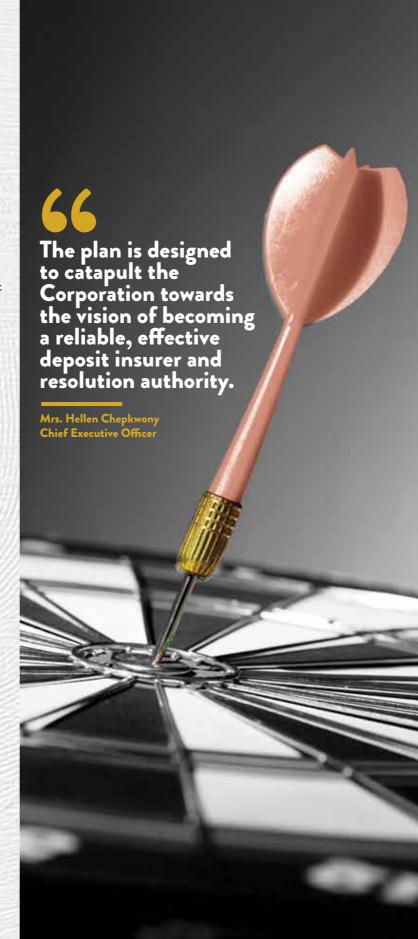




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DEFINITION OF CONCEPTS AND TERMINOLOGIES

ALTERNATIVE DISPUTE

RESOLUTION (ADR): Any process or procedure for resolving a dispute other than judicial determination by a judge or magistrate in a statutory court.

BRIDGE-BANK FRAMEWORK:

This is a process where an entity is established to temporarily take over and maintain certain assets, liabilities and operations of a failed Bank as part of the Resolution process.

BUDGET CAPPING: It involves setting aside or utilizing a percentage of interest income within a corporation's budget.

BUSINESS PROCESS RE-ENGINEERING: It is the

fundamental rethinking, systemic and radical re-design of organizational processes to achieve dramatic improvements (45%) of performance in cost, speed and quality of service. (Michael Hammer, 1993).

CAMELS FRAMEWORK: This is an internationally recognized system for rating financial soundness of

institutions. It assesses them based on six key factors: Capital adequacy, Asset quality, Management quality, Earnings, Liquidity, and Sensitivity to market risk.

CORPORATE SOCIAL RESPONSIBILITY (CSR): Is the

contuining commitment by an organization to act ethically and contribute to economic development whilst embracing responsibilities to their employees, the community and the envoronment.

CRISIS MANAGEMENT

FRAMEWORK: This is the procedure used by an organization to respond to a disruptive and unplanned occurrence that might hurt it or its stakeholders.

DEPOSIT INSURANCE: It is a system established to protect depositors against the loss of their insured deposits in the event that a bank is unable to meet its obligations.

DEPOSIT INSURANCE FUND: This is the fund that is established to cover protected deposits in the event of bank failure.

DIFFERENTIAL PREMIUM

SYSTEM: A premium assessment system that differentiates premiums on the basis of individual bank risk profiles.

LIQUIDATION: This refers to the process through which a bank or financial institution is closed down and its assets and liabilities are effectively managed, often due to insolvency or other severe financial distress.

PAY BOX: Mandate where the deposit insurer is only responsible for the reimbursement of protected deposits

PAY BOX PLUS: Mandate where the deposit insurer has additional resolution responsibilities such as financial support

PERFORMANCE MANAGEMENT

SYSTEM: This system involves processes and tools used to steer and guide the Corporation in the achievement of its mandate, strategic objectives, performance contracting commitments and other requirements.

RECEIVERSHIP: This is a bank administration procedure for

restructuring or closure and liquidation of a bank by the receiver appointed by CBK

REGULATORY FRAMEWORK:

A regulatory framework consists of laws, regulations, and guidelines that govern an institution

RESOLUTION: A disposition plan and process for a non-viable bank which entails the receivership process and /or Liquidation.

RISK MANAGEMENT: This is the process of identifying, assessing, and mitigating risks to achievement of an organization's objectives.

RISK MINIMIZATION:

A Mandate in which a Deposit Insurer has comprehensive risk minimisation functions, including risk assessment/management, a full suite of Early Intervention and Resolution Powers, and in some cases, prudential oversight responsibilities. International Association of Deposit Insurers.

single customer view: It is a comprehensive and unified record of a customer's accounts, and contact information to facilitate prompt payout of protected deposits at the point of liquidation.



- ACRONYMS AND ABBREVIATIONS

ADR: Alternative Dispute Resolution

ARC: African Regional Committee

BETA: Bottom-up Economic

Transformation Agenda

BPR: Business Process Re-engineering

BSC: Balanced Scorecard

CEO: Chief Executive Officer

COSO: Committee of Standards

Organization

COVID-19: Corona Virus Disease of 2019

CPD: Continuous Professional

Development

CSR: Corporate Social Responsibility

DI: Deposit Insurance

DIS: Deposit Insurance System

DPIA: Data Protection Impact Assessment

DPS Model: Differential Premium System

EDRMS: Electronic Document and

Records Management System

EDW: Enterprise Data Warehouse

ERM: Enterprise Risk Management

ESG: Environmental, Social and

Governance

Fintech: Financial Technology

FSB: Financial Stability Board

FSSP: Financial Sector Support Program

GDP: Gross Domestic Product

HR: Human Resources

IADI: International Association of

Deposit Insurance

IT: Information Technology

KDIC: Kenya Deposit Insurance

Corporation

MOU: Memorandum of Understanding

MTP: Mid-Term Plan

PFM Act: Public Finance Management

Act. 2012

PMS: Performance Management System

PPDA Act: Public Procurement and Asset

Disposal Act

RMP: Risk Management Policy

SECC: Strategy Execution and

Coordination Committee

SOP: Standard Operating Procedure

TOR: Terms of Reference

FOREWORD

he Government of Kenya is currently implementing an elaborate Bottom-Up Economic Transformation Agenda, popularly referred to as BETA. The overarching focus of this agenda is to enable the common person to thrive economically and create wealth.

Its implementation has significant implications to the financial sector in two major respects: The need to mobilise finances for undertaking some of the prescribed initiatives, such as support to micro, small, and medium enterprises (MSMEs); and the subsequent increase in the demand for financial services such as savings and credit, as beneficiary stakeholders respond to policy action.

Undoubtedly, these require stability in the financial sector. In this regard, the Government envisions "a vibrant and globally competitive financial sector that will promote 66

The
President has
repeatedly
called on
Kenyans to
save more
dedicatedly
and
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their future,
and he has
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possible, to
facilitate
this.





As the KDIC Board, we are confident that with this strategic plan, the management team, with our support, will make a significant contribution to the implementation of the Kenya Kwanza development strategy.

high level savings to finance Kenya's investment needs". This reflects President Dr William Ruto's clarion call on savings.

The President has repeatedly called on Kenyans to save more dedicatedly and safeguard their future, and he has taken action, where possible, to facilitate this. An example is the February 2023 increase in the statutory retirement savings with the National Social Security Fund (NSSF). From contributing a standard monthly rate of Ksh200, Kenyan workers have since the passing of the new law been contributing at least 6 percent of their incomes towards retirement savings, with the employer adding another 6 percent. This will drastically increase retirement savings in the country.

Kenya Deposit Insurance Corporation (KDIC) mandate to promote stability in the financial sector and protect

ordinary individual's savings, has a significant role to play in ensuring the Government's vision is well supported with not only a stable financial sector, but one that serves as a strong enabler of BETA.

In effect, the objectives we have set out to undertake in our new strategic journey are aligned to the Government's development focus under the Fourth Medium Term Plan (MTP IV) that is running from 2023-2027. It is indeed fortunate that this period coincides with the cycle of our new strategic plan, making it possible for us to walk with the executive arm of the Government from the start.

As the KDIC Board, we are confident that with this strategic plan, the management team, with our support, will make a significant contribution to the implementation of the Kenya Kwanza development strategy.

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Signature

Mrs Hannah W. Muriithi, EBS

Chairperson, Board of Directors Kenya Deposit Insurance Corporation

PREFACE AND ACKOWLEDGEMENT

am pleased to present to you the Kenya Deposit Insurance Corporation (KDIC) Strategic Plan for the period 2023 to 2028. The plan is an outcome of an intense and rigorous process of thought, analysis, consultation and choices in the context of a dynamic financial sector. Importantly, the development of the plan involved engagements and consultation with various stakeholders.

The plan factors in Kenya Vision 2030, Medium Term Plan IV (MTP-IV), and it is anchored on the Bottom-up Economic Transformation Agenda (BETA) where financial



The plan is an outcome of an intense and rigorous process of thought, analysis, consultation and choices in the context of a dynamic financial sector.

Mrs. Hellen Chepkwony Chief Executive Officer Kenya Deposit Insurance Corporation



resilience is a key pillar. It builds from the previous strategic plan for the year 2018 to 2023 which formed a background for key achievements and lessons learnt in its implementation. It also aligns with management focus areas: people, processes and systems.

The plan is designed to catapult the Corporation towards the vision of becoming a reliable, effective deposit insurer and resolution authority. Additionally, the plan is aligned to the mission to protect depositors

and enhance public confidence in the financial system by promoting sound risk management and timely resolution. Further, as the Corporation seeks to improve on its corporate culture, the plan is founded on the values of Professionalism, Integrity, Teamwork, Innovativeness, Customer Focus and Accountability.

In terms of strategic direction, the Corporation has identified four Key Result Areas to prop the achievement of our vision, namely:



KEY RESULT AREAS

66

The strategic direction is supported by strategic objectives and subsequent initiatives which will require financial resources, human resources and importantly continued collaboration and partnership with stakeholders.



The strategic direction is supported by strategic objectives and subsequent initiatives which will require financial resources, human resources and importantly continued collaboration and partnership with stakeholders. To enable us to track the implementation of this plan, a monitoring and evaluation framework that focuses on outcome and timeliness will be a vital component.

In presenting this plan, the Corporation is cognizant of the dedication and commitment required as we remain well prepared to protect depositors and support the stability of the financial system. We will continue to proactively align this plan and strategies to the evolving environment, and continue to nurture and build exceptional talent and expertise to meet the challenges ahead.

In closing, I acknowledge and thank the Board of Directors, Management, Staff and all Stakeholders involved in preparation and review of this strategic plan. Let us do it! Safer. Stronger. Together.

Shum

Signature

Mrs. Hellen Chepkwony

Chief Executive Officer

EXECUTIVE SUMMARY

he Kenya Deposit Insurance Corporation (KDIC), is a statutory institution mandated to provide a deposit insurance scheme for customers of member financial institutions, and to participate in ensuring stability in the country's financial sector.

The KDIC Strategic Plan for the period 2023 to 2028 is aligned to the transformative national development aspirations as espoused in the Bottom-Up Economic Transformation Agenda (BETA) and the Kenya Vision 2030 Fourth Medium Term Plan (MTP IV) 2023 - 2027.

The plan envisions the Corporation as "a reliable, effective deposit insurer and resolution authority" against the mission "to protect depositors and enhance public confidence in the financial system by promoting sound risk management and timely resolution".

The Vision recognizes the need to create a vibrant financial sector that will create jobs and also promote a high-level of savings to finance Kenya's overall investment needs. To achieve the plan, the Corporation has committed

to six core values: Professionalism, Integrity, Customer Focus, Innovation, Teamwork and Accountability.

The Corporation undertook comprehensive scan of the environment to map out factors that might affect the achievement of its mandate through a situational analysis. Furthermore, the Corporation has conducted a review of the past performance and compiled challenges and lessons learnt. Subsequently, the Corporation developed strategic issues namely; Deposit Insurance Scheme (DIS), Early detection and timely resolution, Problem banks/failed institutions and Institutional Capacity. It is against this background that the Corporation has identified four key result areas namely;



Ksh. 7.7B

The implementation of the plan will require Ksh. 7.7 billion in financial resources which will be allocated through the approved budgets funded by the interest income from the Fund.

and Institutional Capacity Development.

Corporation Additionally, the developed an implementation and coordination framework which describes the operationalization Plan. The of the Corporation further reviewed the organizational structure to align with the strategy and further analysed the existing policies, systems and procedures. The governance structure as per the revised organizational structure is set to catapult the Corporation towards the vision. Moreover, the Corporation carried out a risk assessment in line with its enterprise risk management framework.

The implementation of the plan will require Ksh. 7.7 billion in financial resources which will be allocated through the approved budgets funded by the interest income from the Depost Insurance Fund.

Moreover, the Plan has provided for Monitoring and Evaluation frameworks through the identified KRA specific outcomes which will be reported on an annual basis, at the mid-term as well as at the end-term of the Plan implementation.



BOARD OF DIRECTORS



Mrs. Hannah Muriithi, EBS Chairperson, KDIC Board



Dr. Kamau Thugge, CBSBoard Member



Prof. Njuguna Ndung'u, CBS
Board Member



Mr. Justine Muturi, CBSBoard Member



Dr. Habil Olaka, CBSBoard Member



Ms. Melissa Ng'aniaBoard Member



Mr. James AkaliBoard Member



Mr. Joseph Ng'etich Board Member



Ms. Anne LengerdedBoard Member



Mrs. Hellen Chepkwony





This chapter outlines the critical role of strategy in achieving success, the global, regional and local frameworks that informed this strategic plan, the history of KDIC and the methodology used to develop the strategic plan.

1.1 Strategy as an imperative for organizational success

KDIC success stands on the foundation of setting up overarching organizational goals that will make the Corporation stand out in the planning, execution and achievement of its mandate, corporate goals, key result

The designed strategy is expected to add impetus in the leadership style of the organization and helps to steer the Corporation towards a clear direction which is understood by all stakeholders.

areas, identified strategic objectives and choices.

Crafting a well-defined strategy is crucial for organizational success. The designed strategy is expected to add impetus in the leadership style of the organization and helps to steer the Corporation towards a clear direction which is understood by all stakeholders.

This means formulating a strategy that not only ensures the stability of the financial system through sound risk management of member institutions but also timely resolution of failed banks in the unlikely event of Bank failure. Moreover, a well-designed strategy allows KDIC to allocate its resources optimally, navigate regulatory changes adeptly, and foster communication transparent stakeholders. By aligning efforts and resources toward defined objectives, KDIC can effectively fulfil its mandate, promote public confidence and trust among stakeholders, and contribute Kenya's financial stability.

1.2 The context of Strategic Planning

The context of the Strategic Plan has been informed by various international and regional frameworks. These frameworks include, but are not limited to:

- The Constitution of Kenya,
- The Kenya Deposit Insurance Act, 2012,
- The Central Bank of Kenya Act,
- The Banking Act (Kenya),
- The United Nations 2030 Agenda,
- The African Union Agenda 2063,
- The East African Community (EAC)

Vision 2050.

- Kenya's Vision 2030.
- IADI Core Principles for Effective Deposit Insurance Systems.

1.2.1 United Nations 2030 Agenda for Sustainable Development

The United Nations 2030 Agenda for Sustainable Development adopted by

all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. KDIC took into account the goals and targets as follows:

Table 1: Relationship between the UNITED Nations 2030 Agenda and KDIC initiatives

Goal	Target	KDIC Initiatives	
Goal 8: Decent Work and Economic Growth	Target 8.3: Promote development- oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Conducive work environment: KDIC supports decent work by providing employment in a conducive working- environment. It also promotes economic growth through promotion of financial stability in the banking sector through deposit insurance	
	Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	Risk mitigation: By offering deposit insurance, Deposit insurance helps mitigate risks for depositors. Knowing that their deposits are protected up to a certain limit, individuals and businesses are more likely to use banking services, which contributes to expanding access to financial services.	
		Regulatory Compliance and Supervision: KDIC, as a regulatory authority, contributes to ensuring that financial institutions comply with established standards and regulations. This helps to create a level playing field and fosters a culture of responsible financial services.	
Goal 9: Industry, innovation and Infrastructure	Target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including	Contributing to Economic Growth and Development: A stable financial sector, with the support of Deposit Insurance, provides a solid foundation for overall economic growth. This, in turn, can lead to increased opportunities for small-scale enterprises to participate in value chains and markets.	

Goal	Target	KDIC Initiatives	
	affordable credit, and their integration into value chains and markets	Supporting Integration into Value Chains and Markets: Through promotion of public confidence in the banking sector, there is availability of deposits to be intermediated into affordable credit. The promotion of public confidence in the banking sector, catalyzes increase deposits which can be intermediated into a ffordable credit. In turn, this access to financial services facilitates growth and expansion of MSME's.	
Goal 16: Peace, Justice and Strong Institutions	Target 16.5: Substantially reduce corruption and bribery in all their forms	Regulatory Oversight: KDIC, as a regulatory body, sets and enforces standards and regulations for Banks and Micro-finance Banks. By maintaining a robust regulatory framework, KDIC helps prevent corruption and unethical behaviour within the banking sector.	
		Resolution of Failed Institutions: In the event of a bank failure, KDIC steps in to resolve the institution and protect depositors' funds. This process ensures that depositors do not suffer due to the mismanagement or corrupt activities of the failed institution.	
		Enhancing Transparency and Accountability: KDIC promotes transparency and accountability within the banking sector by requiring regular reporting and disclosures from member institutions. This helps to identify any irregularities or signs of corruption early on.	
	Target 16.8: Broaden and strengthen the participation of developing countries in the institutions of global governance	Compliance with International Standards: KDIC's activities and operations are aligned with International Association of Deposit Insurers (IADI) Core Principles for Effective Deposit Insurance. This helps Kenya meet global standards, facilitating its participation in the broader international financial system.	
	Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and	Information Dissemination: KDIC provides information to the public about deposit insurance, its role, and how it works. This transparency helps educate individuals and businesses about their rights and protections, contributing to a more informed public.	
	international agreements	Advocacy and Awareness: KDIC may engage in advocacy efforts to raise awareness about the importance of financial stability and the role of deposit insurance.	
Goal 17: Partnership for the goals	Target 17.16: Enhance the Global Partnership for Sustainable Development,	Fostering collaborations and partnerships: The participation of the Corporation in International Association of Deposit Insurers and its overarching pillars in this SP are testament to the promotion of SDG 17.	

Goal	Target	KDIC Initiatives
	complemented by multi- stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	

1.2.2 African Union Agenda 2063:

The African Union Agenda 2063 is a strategic framework for the socioeconomic transformation of the continent over the next 50 years. The agenda encompasses various development priorities, including economic growth, infrastructure development, human capital development, and good governance. KDIC in development of the strategic plan has taken into account the aspirations of African Union Agenda:

Table 2: Relationship between the African Union Agenda 2023 and KDIC initiatives

Aspirations	KDIC Initiatives	
Aspiration 1: A prosperous Africa based on inclusive growth and sustainable development.	During the strategic plan period, KDIC will contribute to this aspiration by ensuring financial stability, protecting depositors, and maintaining the integrity of the financial sector. By providing deposit insurance, it helps build confidence in the banking system, which is crucial for inclusive economic growth. Financial inclusion through public awareness initiatives could lead to increased access to financial services for the previously unbanked population. This could boost the number of bank accounts, savings, and investments, ultimately contributing to and becoming a marker of sustainable development.	
Aspiration 2: An integrated continent, politically united and based on the ideals of Pan Africanism and the vision of Africa's Renaissance.	The Africa 2063 Agenda promotes regional economic integration. Kenya is a key player in building the capacity of Deposit Insurance principles in other Deposit Insurers in the region as a member of the Africa Regional Committee. KDIC is also a member of the East African community working group for harmonization of the financial sector regulations. Through regional capacity building efforts and successful strategic collaborations and partnerships initiatives, trade and cross-border unity will be enhanced due to a stable financial sector across the region from established and functional Deposit Protection Fund Boards/Deposit Insurers.	

Aspirations	KDIC Initiatives	
Aspiration 7: Africa as a strong, united and influential global player and partner.	By maintaining financial stability and contributing to the integrity of the financial sector, KDIC indirectly supports Africa's efforts to be a strong and influential player in the global arena.	
Aspiration 12: An Africa with good governance, democracy, respect for human rights, justice and the rule of law.	KDIC's operations contribute to the overall stability and integrity of the financial sector through providing an oversight role in banks, which is a critical component of good governance and the rule of law.	

1.2.3 East African Community Vision 2050:

The EAC Vision 2050 outlines the region's long-term development goals, including economic integration, infrastructure development, sustainable natural resource management, and improved living standards for East African citizens. KDIC's activities in maintaining financial stability and protecting depositors play a crucial role in facilitating cross-border trade and investments within the East African Community. A stable banking system can enhance investor confidence, promote financial integration, and contribute to the overall economic development of the region.

1.2.4 Constitution of Kenya:

KDIC complies with the provisions of the Constitution of Kenya in the implementation of its mandate in line with the relevant provisions as follows:

Article 201 – Principles of Public Finance: This article outlines the

values and principles that should guide public finance in Kenya. It advocates for openness and accountability; a public finance system that promotes an equitable society through equal sharing of burdens and resources; and prudent financial management. KDIC aims to maintain public trust and confidence in the financial sector and contribute to realization of a public finance system that promotes an equitable society.

Article 226 -Accounts and Audits of Public Entities: It outlines provisions related to accounts and audit, including governments and Public Sector institutions. KDIC aims to promote transparency, accountability, and prudent use of public resources by carrying out:

- (i) Efficient and transparent fiscal management by maintaining transparent financial records and undergoing regular audits to ensure that their operations are conducted in an efficient and accountable manner.
- (ii) Undergoing independent auditing of financial statements and records

by the Auditor-General to ensure compliance with financial regulations and standards.

Article 232 - Values and Principles of Public Service Governance: It sets out the values and principles of public service governance, including accountability, transparency, and responsiveness. These principles guide the operations of public institutions, including KDIC, in carrying out their mandates. The strategies and activities planned for implementation during the plan period will adhere and promote the principles set out by this article.

1.2.5 Kenya Vision 2030, Medium Term Plan IV, Bottom-Up Economic Transformation Agenda (BETA):

Kenya Vision 2030 is the country's long-term development blueprint that aims to transform Kenya into a middle-income, globally competitive, and industrialized nation by the year 2030. One of the key pillars of Vision 2030 is economic development, which involves sustainable economic growth, investment, job creation, and poverty reduction. KDIC's role in maintaining financial stability, protecting depositors, and ensuring the health of the banking sector aligns with the economic pillar of Vision 2030. By providing depositor confidence and financial stability, KDIC contributes to creating a conducive environment for investment, entrepreneurship, and economic growth.

The Bottom-Up Economic Transformation Agenda is a more recent initiative that seeks to prioritize grassroots economic development, focusing on sectors such as agriculture, manufacturing, micro, small, and medium-sized enterprises (MSMEs), and local value addition. While KDIC's primary role is centred around financial stability and depositor protection, it indirectly supports this agenda by contributing to a stable financial system that can spur



the availability and growth of financial services that are necessary for funding MSMEs. A strong banking sector is essential for channelling capital to various economic activities, including those targeted by the Bottom-Up Economic Transformation Agenda.

Medium Term Plan IV (MTP IV) is part of Kenya's Five-Year Development Plans that operationalize the goals of Kenya Vision 2030. MTP IV covers the period from 2018 to 2022 and emphasizes various development priorities. including infrastructure. industrialization, job creation, and social equity. KDIC's activities align with its objectives by ensuring the stability of the financial which is a fundamental requirement sustained economic growth, infrastructure development, overall development of the country.

In summary, KDIC's role in maintaining financial stability, protecting depositors, and ensuring the health of the banking sector has direct and indirect implications for Kenya's Vision Bottom-Up Economic 2030, the Transformation Agenda, and Medium-Term Plan IV. A stable financial sector is a foundational component of a thriving economy and supports the goals of sustainable economic development, poverty reduction, and improved livelihoods for Kenyan citizens.

1.2.6 Sector Policies and Laws:

Various sector-specific policies and

laws. including financial sector regulations and banking laws, shape the operational environment organizations like KDIC. These regulations are designed to ensure the stability of the financial system, protect consumers, and promote responsible financial practices. KDIC's mandate and functions are likely aligned with these regulatory frameworks, they aim to enhance the resilience of the financial sector and promote confidence among depositors.

1.3 History of the Corporation

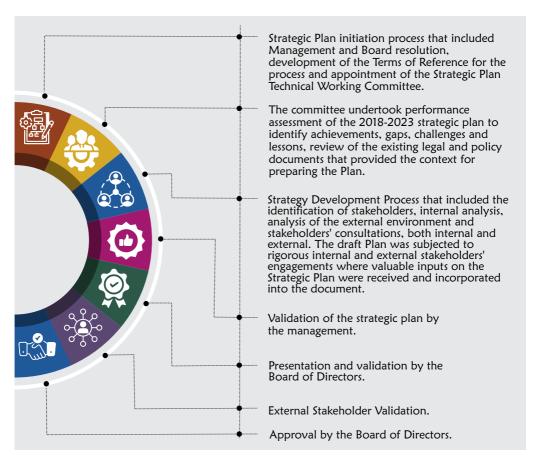
KDIC is a state corporation established by the KDI Act of 2012 under The National Treasury and Economic Planning. The Deposit Protection Framework in Kenya's rich legacy spans over 37 years. In 1986, the Deposit Protection Fund Board (DPFB) was established under the Banking Act, CAP 488 Laws of Kenya. The National Treasury seeded an initial capital of KSH 300 million to enable DPFB deliver on its mandate. The statutory mandate of the Board was to provide deposit protection to member institutions and restore confidence and stability in the financial sector.

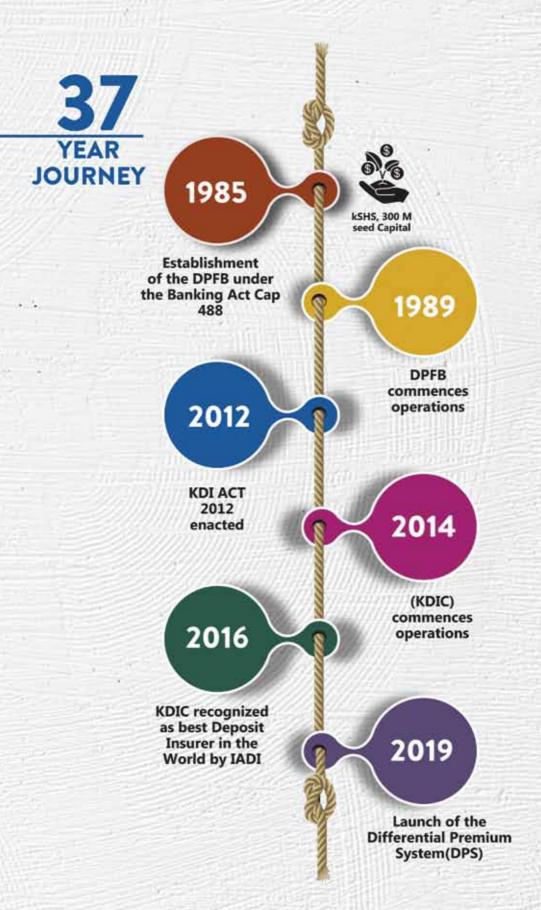
The DPFB had the mandate of a paybox plus, and was to provide deposit guarantee and bank liquidation functions only. However, challenges arose from the administration of this framework which necessitated the Central Bank of Kenya (CBK) to appoint a taskforce in March 2006 to review the legislation governing DPFB's operations and recommend a legal framework aimed at expanding the mandate of DPFB, providing for its autonomy, and enhancing its corporate governance structure.

Consequently, the Kenya Deposit Insurance (KDI) Act No. 10 of 2012 was enacted in 2012, which transitioned DPFB to Kenya Deposit Insurance Corporation (KDIC). The Act became operational in July 2014 and welcomed a new dawn of deposit protection in Kenya. The Act enhanced the operational scope and mandate of KDIC from being a pay-box plus to a risk minimizer with powers of a resolution authority, thus aligning its operations to those of international best practices.

1.4 Methodology of Developing the Strategic Plan

The Strategic Plan development process was both participatory and consultative involving the following key steps: -





STRATEGIC DIRECTION



This chapter provides an overview of Kenya Deposit Insurance Corporation (KDIC), covering its mandate, vision, mission, strategic goals, core values, and quality policy statement.

2.1 Mandate

Kenya Deposit Insurance Corporation (KDIC) is a statutory institution established under the Kenya Deposit Insurance Act 2012, is mandated to provide a deposit insurance scheme for customers of member institutions, which are fundamentally financial companies. KDIC is also mandated to provide incentives for sound risk management, and to promote the

stability of the financial system and timely resolution of problem banks/ member institutions.

KDIC protects depositors against the loss of all their deposits or bank balances, in the unlikely event of a bank failure. To this end, the Corporation provides payments of insured deposits, thereby enhancing the confidence of depositors and inspiring them to keep their savings within the insured banks and payments system.

2.2 Vision Statement



VISION STATEMENT

A reliable, effective Deposit Insurer and Resolution Authority.

2.3 Mission Statement



MISSION STATEMENT

To protect depositors and enhance public confidence in the financial system by promoting sound risk management and timely resolution.

2.4 Strategic Goals

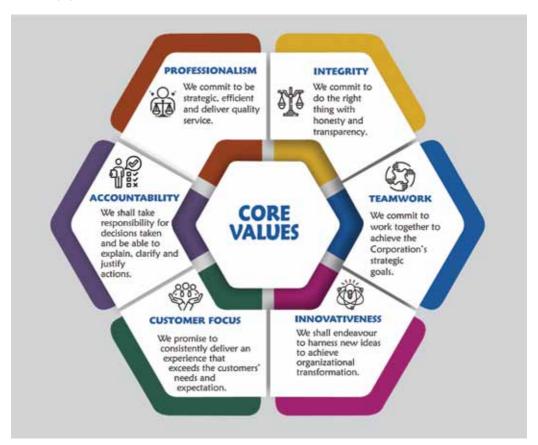
KDIC examined its core mandate and formulated the following goals to be realized within the planned period:



2.5 Core Values

KDIC is guided by the following core values for effective implementation of its vision and mission:

Table 2.5: Core Values



2.6 Quality Policy Statement

Kenya Deposit Insurance Corporation (KDIC) maintains a Quality Management System (The KDIC-QMS) as a strategic tool for continual improvement of customer satisfaction, service consistency and statutory compliance based on ISO 9001:2015 International standard. The corporation in its current Strategic Plan has committed to standardize the identified and prioritized services in line with its customer value proposition.

Towards this KDIC:

All staff and outsourced service providers shall discharge their services in accordance with the quality policies.

quality policies.

Shall maintain, communicate, implement and review this policy

Commits to continual improvement of the QMS, International Standard Organization (ISO) and Committee of Standard Organization (COSO) through data analysis, performance evaluation and management review quarterly and any other applicable standards.

to ensure its

suitability and

availability to

continual

interested

parties.

Commits to provision of consistent deposit insurance services and receivership, liquidation and/or winding up troubled banking member institution as per the KDI ACT 2012.

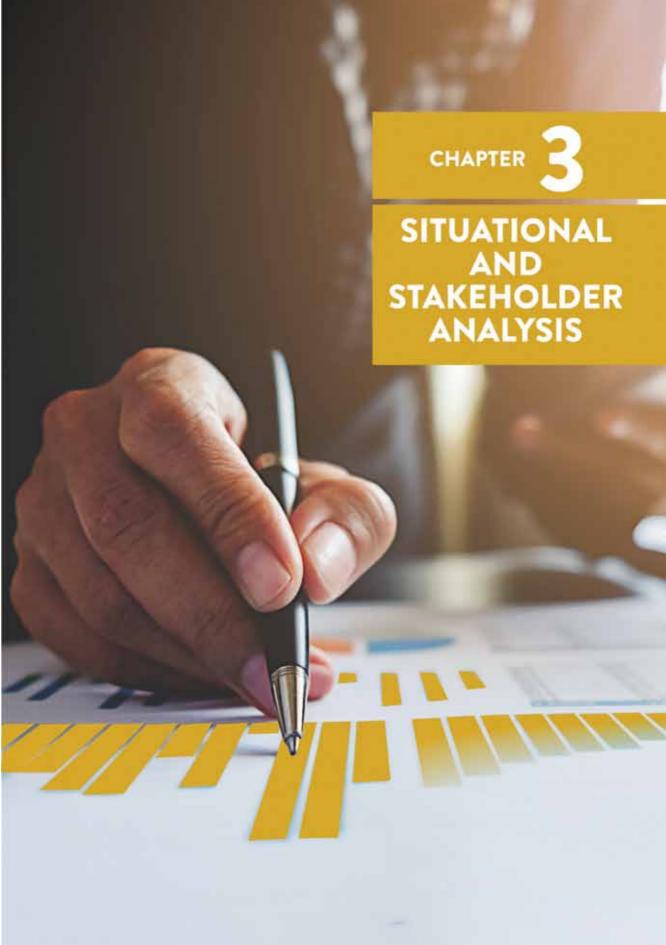


Commits to continuously listen and engage our stakeholders to understand and meet their needs in line with the applicable legal and statutory obligations.



Shall establish and monitor measurable Quality Objectives in all processes under the QMS Scope and other applicable standards.

Shall identify and monitor Risks and Opportunities associated with KDIC context and processes including the mitigation measures.



This Chapter presents key milestones and challenges faced by KDIC including an assessment of its operating environment using SWOT and PESTEL analysis tools. Stakeholder's analysis is undertaken to identify their interest, relationship and expectations. These analyses formed the basis for the formulation of the Key Result Areas (KRAs), Objectives and Strategies.

3.1 Situation Analysis

3.1.1 External Environment

Analysis of the external environment was undertaken through the PESTEL analysis tool to identify factors that may influence the operations of KDIC in the plan period.

3.1.1.1 Macro-Environment

This segment presents sector and industry developments that may have a bearing on deposit insurance in

general, and are therefore of interest to Kenya Deposit Insurance Corporation (KDIC). The analysis covers diverse macro-environment that are external to the operations of KDIC, but have the capacity nonetheless, to influence internal strategic decisions. In particular, we have put the following dynamics in mind developing our strategic direction. Some of the realities and projections are quite dynamic and may actually influence adjustments in the course of implementing this strategic journey.

Table 3.1: Pestel Analysis

Category	Factors	Effect	Strategic intervention
Political (driven by government actions and policies)	 Changes in government policies Uncertainties during the election period 	• Government intervenes in the economy through formulation of policies. Change in policy through review of KDI Act,2012 can impact operationalization of its provisions, if reviewed to our disadvantage.	 Establish strong and continuous communication and collaboration with government agencies, regulators, and policymakers Develop contingency plans and risk assessments to prepare for potential changes in government policies during uncertain periods
Social (shifts or evolutions in the society)	 Poor saving culture Changing demographics Diversity and inclusion Cultural norms Corruption 	 The dynamic lifestyle of the Kenyan population affects the savings culture, resulting in reduced deposits in banks. 	Collaborate with banks on creating awareness of importance of savings

Category	Factors	Effect	Strategic i ntervention
Technological	Advancement in technology Cyber crime Rapid technological changes	 Rapid technological advances influence the outlook for insured deposits and operational risks emanating from cybercrime. The emergence of electronic money (E-money) opens up new opportunities for deposits. 	Develop a framework for insuring E -Money Monitor IT security
Environmental	Green economy Work environment Climate change	 Climate change poses a threat on inflows from the agricultural sector. This impacts deposits through the banks. 	
Legal regulatory environment	 Overlapping mandates Changes in deposit insurance legislations and other laws Member institutions non-compliance to KDI Act Review of legislation Judicial decisions and lawsuits. 	• The legal and regulatory framework that governs the financial sector in Kenya affects judicial decisions thus affecting the achievement of the Corporation's mandate.	Partnership with Judiciary to create awareness on Corporations mandate
Ethical	 CSR/ philanthropy Corporate culture Compliance Moral hazard by member institutions. 	 Non- compliance with professional and ethical standards affects governance of the Corporation 	Implementation of policies and governance standards.

3.1.1.2 Micro-Environment

In preparing its current strategic plan, KDIC recognized the importance of considering its microenvironment as a critical element for the achievement of its strategic objectives. The analysis of its operating environment, the following key variables were taken into account:

(i) Member institutions play a pivotal role in supporting KDIC's success through their active participation, which involves paying premiums and adhering to the KDI Act, 2012, among other attendant financial sector regulations. The KDIC's interaction with these member institutions holds immense importance for its overall stability and success.

implementation The of the Electronic Data Warehouse (EDW) has been a significant step forward in enhancing the sharing of data and bolstering analytical capabilities for early detection of potential issues. Nevertheless, the timely sharing of data in real-time remains an ongoing challenge, impeding the KDIC's ability to make effective and immediate decisions.

- (ii) Industry regulators, along with other safety net participants, continue to hold a pivotal position in supervising overseeing financial institutions. Their policies and regulatory measures wield considerable influence over the functions of KDIC. One noteworthy challenge that persists is the effective sharing of data and information among various stakeholders within the sector.
- (iii) Employees play a crucial role in achievement of KDIC's mandate and ensuring the overall smooth operation of the fund. As part of its strategic planning, KDIC recognizes the essential requirement of attracting, recruiting, and retaining talented and skilled employees to meet its strategic objectives successfully. A significant step in this direction has

- been the review of the Human Resource Instruments, which has proven pivotal in refining its recruitment strategy. Despite these efforts, the organization continues to contend with the challenge of insufficient human capacity, which hampers the efficiency of its operations.
- (iv) Suppliers have a significant stake in KDIC's success because they supply goods and services that support the Corporation's operations. KDIC maintains an ongoing collaboration with its suppliers to gather feedback and ensure effective partnerships.
- (v) Depositors hold a central role in the microenvironment of KDIC's fund as they are the primary beneficiaries in the event of a bank failure. They entrust their money to financial institutions, relying on the deposit insurance fund to safeguard their deposits. However, as highlighted public awareness survey results, the awareness of KDIC's role in protecting insured deposits remains low among the general public. This emphasizes the need improved communication and education efforts to ensure depositors are well-informed about the deposit insurance system and the protection it offers to their savings.

3.1.2 Summary of Opportunities and Threats

Following the scan, the opportunities and threats have been summarized as per table 3.1 below:

Table 3.1.2 Summary of Opportunities and Threats

Environmental Factor	Opportunities	Threats
Political	Political goodwill and support	Political activism in government and in opposition.Litigant membership
Economic	• Revenue stream diversification to cover other areas	Low confidence in and negative perceptions of the banking sector
Social	• High literacy level of Kenyans, thus opportunity to promote financial literacy	Rising unemployment and poverty levels
Technological	Growth in fintech products	Effect of negative social media in financial institutions and deposit insurance
Ecological	•Economy picking up after the Covid-19 pandemic	•The negative effect of climate change in the financial sector
Legal	•Existence of policies and regulations that support the implementation of the Corporation's mandate	Slow litigation process Protracted litigations

3.1.3 Internal Environment

Analysis of the Internal Environment was undertaken through the SWOT analysis tool to identify factors that may influence the operations of KDIC in the plan period.

The Corporation adopted the Value Chain Analysis approach as a means of evaluating each of the activities in the Corporation's operations to understand areas of improvements. It sought to interrogate the journey of the customer within the Corporation's processes. This helps to identify areas of improvement as we respond to the

needs of our customers. Therefore, the Corporations processes will be tailored to be, not being customer-centric.

KDIC defines the depositor as the primary customer and member institutions as the secondary customer. It sets out inputs, provides broad processes within the two core mandate areas, namely risk minimisation and bank resolution, and subsequently provides output. As evident in the diagram that below, Fig 1, the core processes operate with the support of other resource areas, including technology, procurement, legal affairs, and human resources, among others.

Figure 1: KDIC Value Chain



Comprehensive value chain appreciation and engagement from stakeholders' management, improvement on fund management, internal controls and Corporate Planning.

3.1.3.1 Governance and Administrative Structures

The Corporation has undertaken a

thorough examination of its governance structures and mechanisms, which are instrumental in guiding decision-making. The Board of Directors play a central role in setting the strategic direction of the Corporation and formulating policies, while the Chief Executive Officer (CEO) oversees day-to-day operations. In addition to these key roles, the Corporation employs various governance mechanisms, such as specialized committees and actively

engaging stakeholders to incorporate their valuable input into the decision-making process. In alignment with its mandate, the Corporation's workforce is strategically distributed, with 70% in core mandate areas and 30% in non-core functional areas, thereby, optimizing resource allocation. Morever, the Corporation is working on fully populating its staff complement.

3.1.3.2 Internal Business Processes

In its endeavour to deliver value to its customers and stakeholders, KDIC is currently implementing a Quality Management System (QMS) 9001:2015 by mapping all its processes in line with the existing organizational structure and staff establishment. Each process is well-documented with the appropriate workflows and guided by approved standard operating procedures.

KDIC has embraced use of technology and ICT infrastructure to enhance service delivery. The Corporation has deployed an Enterprise Resource Planning System (AX Dynamics) and an Electronic Data Warehouse (EDW) to facilitate data-driven risk management to in order to receive timely and accurate data from member institutions regularly.

Additionally, the Corporation is in the process of implementing an Electronic Document and Records Management System (EDRMS) to digitize records, ensuring improved confidentiality, integrity, and accessibility.

The establishment of a SharePoint platform enables easy access to files and day-to-day processes, with plans for future integration of the systems under the government agenda on automation and digitization of the government services. Moreover, KDIC is committed to recruiting and retaining skilled employees who play a crucial role in ensuring the successful implementation of the corporation's processes and the realization of its mandate.



3.1.3.3 Resources and Capabilities

The Corporation manages a Deposit Insurance Fund of approximately Kes. 187 billion against an exposure of insured deposits of Kes. 750 billion and total deposits of Kes. 5.3 trillion. This therefore calls for the need to establish the sufficiency of the fund, noting the need for increase in the coverage limit. Additionally, the Corporation is mandated to trace, preserve and realize assets for the institutions in liquidation with the objective of reimbursing depositor's funds. To this end, the Corporation manages 19 institutions in liquidation and this process has been protracted due to challenges such as litigation.

In terms of human resource, the Corporation has established an organizational structure and has filled up 60% of the staff establishment. In the foregoing, there is a need to fill the gap for the required resources

while continuously building specialized technical skills within the organization. In addition, the Corporation conducted an analysis of it's culture establishing an entropy level of 37% consequently indicating the need to work on improving the organizational performance culture.

The Corporation conducted Public awareness and Brand perception surveys whose resultant indices were at 14% and 69% respectively. This therefore presents a challenge towards the achievement of the mandate of promoting public confidence in the financial system.

3.1.4 Summary of Strengths and Weaknesses

The Strengths and Weaknesses that may influence the operations of KDIC during the plan period were identified in the analysis of the Internal Environment. Factors as per the table below:

Table 3.2: Summary Of Strengths and Weaknesses

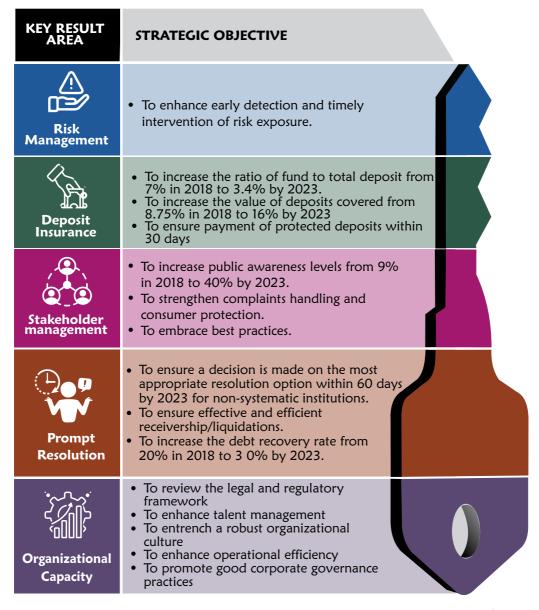
Factor	Strengths	Weaknesses
Governance and administrative structures	 Existence of a robust legal framework Political goodwill and non- interference 	Challenges in operationalization of some sections of the KDI Act
Internal Business Processes	Well developed ICT infrastructure	 Standardization of processes Low awareness of KDIC mandate by the public Poor organizational culture Low levels of public financial literacy
Resources and Capabilities	 Member of IADI, therefore gaining access to global best practice support Qualified and talented staff 	 Limited key skills in resolution and bank examination; Inadequate funds/ cover Absence of high performance-based culture

3.1.5 Analysis of Past Performance

This section provides an analysis of the key achievements, challenges, and lessons learned during the implementation of KDIC's strategic plan for the period 2018 to 2023. These insights have served as the foundation for the preparation of the current strategic plan.

3.1.5.1 Key Achievements

During the 2018 – 2023 Strategic Plan, the following KRAs and strategic objectives were chosen to effectively deliver on the institution's mandate:



KEY MILESTONES DURING THE 2018-2023 STRATEGIC PLAN PERIOD



Risk Management



KDIC conducted a comprehensive and implementation of its risk assessment framework (CAMEL) resulting in the successful implementation of a new Differential Premium System (DPS) for risk assessment, this was significant progress in the implementation of its early detection and intervention framework which involved the offsite surveillance on 53 member institutions as a proactive stance in monitoring and intervening where necessary.



Early detection and intervention framework



Number of member institutions that had offsite surveillance

Strategic Objective

1 To enhance early detection and timely intervention of risk exposure.







Deposit Insurance



KDIC has achieved year on year growth in premium income and investment income, with cumulative premiums collections of Kes.29.7 billion and investment income accumulating to 74.7 Billion within the previous strategic period.

This period also marked the successful implementation of the Electronic Data Warehouse (EDW) for effective and efficient information sharing and data analytics with member institutions; There has also been the review of the coverage limit from Kes. 100,000 to Kes. 500,000; and a fund balance of Kes. 187 billion at end of term.



Kes.29.7B

One year growth in both areas, with cumulative premiums collections



Kes.74.7B

Investment income realized in year-



Kes.100,000 to Kes.500,000

Review of the coverage limit



Kes.187B

Fund balance at end of term

Strategic Objective

- 1 To increase the ratio of fund to total deposit from 2.7% in 2018 to 3.4% by 2023.
- 2 To increase the value of deposits covered from 8.75% in 2018 to 16% by 2023
- 3 To ensure payment of protected deposits within 30 days







Prompt Resolution



KDIC introduced a mobile application that enables debtors of institutions in liquidation to conveniently pay their debts. The application works through e-citizen by use of short messaging systems (SMS) to communicate with depositors seamlessly. enhancing the overall debt recovery process. KDIC implemented use of **Alternative Dispute** Resolution (ADR) methods, which has led to increased recoveries from 18% in 2018 to 45.3% in 2023.



e-citizen

Enables debtors of institutions in liquidation to conveniently pay their debts



Use of (SMS) to communicate with depositors seamlessly

Strategic Objective

- 1 To ensure a decision is made on the most appropriate resolution option within 60 days by 2023 for non-systematic institutions
- 2 To ensure effective and efficient receivership/ liquidations
- 3 To increase the debt recovery rate from 20% in 2018 to 3 0% by 2023.



18% to 45.3%

Implementation of alternative dispute resolution increased recoveries





Stakeholder Engagement



KDIC conducted targeted public awareness campaigns to inform and educate the public about its role and functions in the deposit insurance system which increased the public awareness index from 9% in 2018 to 14% in 2023.



9% to 14%

Increased the public awareness index

Strategic Objective

- 1 To increase public awareness levels from 9% in 2018 to 40% by 2023.
- 2 To strengthen complaints handling and consumer protection.
- 3 To embrace best practices.





Organizational Capacity



During the strategic period, the Corporation deployed a culture change program aimed at achieving our desire to build a sustainability culture amongst our employees; KDIC maintained a staff retention rate of 96.6% with a diversity mix of 67% male and 33% female employees. The Corporation continued to entrench a performance management system to assist in the realization of objectives and align all sections to the achievement of the strategic plan.



Maintained a staff retention rate of 96.6%



33%



67%

Staff diversity mix



Entrenchment of performance to align all sections to the achievement of the strategic plan.

Strategic Objective

- 1 To review the legal and regulatory framework
- 2 To enhance talent management
- 3 To entrench a robust organizational culture
- 4 To enhance operational efficiency To promote good corporate governance practices



3.1.5.2 Challenges

In discharging its mandate, KDIC has encountered the following challenges:

(i) Protracted litigations:

This led to delay in resolution of court cases hence low realization of assets for banks in liquidation

(ii) Lack of knowledge management framework:

Loss of institutional memory negatively affecting effective and efficient delivery of KDIC's mandate

(iii) Delayed Board appointment:

Delay in board appointment impacted approval of policies and decisions of dividend pay-out and debt negotiated agreements

(iv) Inadequate regulatory and legal frameworks:

Gaps in the KDI Act and Microfinance Act inhibit effective operationalization of KDIC's mandate.

(v) Low public awareness:

This negatively impacts the consumption/uptake of products and services from the general public.

(vi) Human resource constraints:

Inadequate staffing and poor organizational culture have impacted effective service delivery.

(vii) Emerging technologies:

FinTech such as digital financial services and M-PESA pose a threat since they lack adequate regulation to safeguard consumer rights and protection. Additionally, increased uptake of these innovations has resulted in increased exposure to risks emanating from cyber threats.

(viii) Global economic shocks:

Uncertainties posed by disturbances such as post-COVID-19 pandemic effects, effects of climate change and the Ukraine-Russian war has negatively impacted the banking sector resulting in low savings

(ix) Information sharing between safety-net players:

Collaboration and partnerships with safety-net players has been negatively impacted by an inadequate framework meant to guide communication and promote cohesion in the delivery of mandates.

(x) Rationalization of the budget:

Budgetary reviews result in reduced budgetary allocations which hamper the effective implementation of the institution's planned projects and programmes.

3.1.5.3 Lessons Learnt

During the implementation of the previous Strategic Plan, KDIC has learnt the need for:

- (i) Improving financial literacy, as the low national financial literacy level affects confidence levels in the Banking systems;
- (ii) Adoption of alternative dispute resolution (ADR), which is much faster than the often-lengthy court processes and is therefore key to resolving institutions in liquidation;
- (iii) Adoption of technology for example the mobile application in debt recovery will increase efficiency;
- (iv)comprehensive depositor education initiative to increase awareness on the mandate responsibilities of the corporation, as this is key stakeholder to improved engagements;
- (v) Review of polices and structures to align to changes in the market environment and adopt a continual improvement practice that has positive results;
- (vi) Being proactive in promoting success stories, as this may improve confidence levels and help in mitigating bank failure;
- (vii) Being proactive in discharging its mandate, e.g., prompting safety-net players to a discussion if a risky member is sited, so that an effective corrective action is taken.

3.1.5.4 Recommendations

- a proactive legal strategy to minimize the risk of litigation and promote Alternative Dispute Resolution (ADR) methods to resolve disputes outside the court system
- (ii) Organizational Culture:

 KDIC should focus on building and maintaining a synergistic work environment guided by a desired culture
- (iii) Undertake Human
 Resource Development:
 KDIC should implement the
 approved HR instruments and
 carry out capacity building
 initiatives for staff
- (iv) Legal and Regulatory
 Frameworks: KDIC should
 continuously review, update
 and comply with the legal
 and regulatory frameworks
 governing the Corporation
- (v) Emerging Technology:

 KDIC should invest in research of emerging technologies to inform customization of deposit insurance products and services. This will also call for development and implementation of data management and governance frameworks
- (vi) Collaboration with Stakeholders: KDIC should aim to promote public awareness by holding

stakeholder engagements, enhancing partnerships with key stakeholders and educating the public on deposit insurance

(vii) Knowledge Management:

KDIC should invest in the development of knowledge management frameworks that will guide in preservation of institutional memory, collaborations and access information. This includes establishment of a Deposit Insurance Academy

3.2 Stakeholder Analysis

A stakeholder analysis of KDIC involves identifying and assessing the various individuals, groups, and organizations that have an interest or influence in the activities and outcomes of KDIC. Stakeholder mapping and analysis by the corporation aids in understanding the role of the stakeholder, their needs and expectations.

The key KDIC's stakeholders are identified in the table below:

Table 3.3: Stakeholder Analysis

Table 3	able 3.3: Stakeholder Analysis						
S/No	Stakeholder	Role	Expectations of the Stakeholder	Expectations of KDIC			
1.	Depositors	 Depositing funds in member institutions and providing accurate information as required by statute and any relevant supporting guidelines. Compliance with relevant requirements when lodging claims for institutions under KDIC. 	 Provide insurance against loss of deposits Prompt access to their deposits in case of failure Stable financial system Information on operations of deposit institutions Fairness in administration of the insurance fund 	Deposit money in member institutions Information on member institutions conduct Provision of accurate information			
2.	Member institutions	 Implementing a good governance framework informed by a sound risk management framework. Compliance with regulations which include collection, management and transmission of accurate and timely information. 	 Proper administration of the Deposit Insurance Fund Prompt action of troubled member Administer a Deposit Insurance System Stable financial system Affordable insurance premium. 	 Accurate and timely information Observance of good corporate governance Adoption of sound risk management practices Compliance with set regulations. 			

S/No	Stakeholder	Role	Expectations of the Stakeholder	Expectations of KDIC
3.	CBK and Other Regulators	Cooperation and collaboration in oversight of institutions as per regulations and best practices.	 Sharing of information on member institutions Provision of services as per the Memorandum of Understanding (MOU's) 	 Sharing of information on member institutions Oversight of member institutions Prompt actions on issues raised.
4.	Learning institutions	Knowledge management and collaboration in the development and implementation of initiatives geared towards financial literacy.	 Collaboration with KDIC on financial literacy training Provision of surveys and publications 	Collaboration with KDIC on financial literacy training
5.	General Public	Stay abreast with the relevant regulations and developments in the financial services sector to guide their decision making on banking services and whistleblowing where necessary.	 Financial stability and sanity in the industry Information on operations of DIS. 	 Deposit money in member institutions Whistle blowing.
6.	Board	Governance and setting the overall strategic direction for the Corporation.	 Implementation of decisions and developed policies Efficiency and effectiveness in the KDIC undertakings Transparency and accountability. 	 Policy direction Timely decision making Good governance practices.
7.	Employees	Service delivery in line with the relevant rules and regulations in the achievement of set targets.	 Conducive working environment Competitive remuneration and welfare system Skills development and equal opportunities Recognition and reward. 	 Delivery of efficient service Commitment and professionalism Integrity Achievement of set targets.

S/No	Stakeholder	Role	Expectations of the Stakeholder	Expectations of KDIC
8.	Government, Parliament, Ministries and Agencies	 Legislation and collaboration in policy development and implementation. 	 Stability and development of the financial industry Statutory compliance Transparency and accountability. 	 Timely approval of budgets and decision making Prompt legislations.
9.	Media	 Timely and fair coverage of KDIC and collaboration in awareness creation and financial literacy. 	 Provision of information in a timely manner Enhanced public awareness 	 Fair and accurate coverage Support in awareness creation.
10.	Strategic partners e.g., IADI, FSB, FSSP and Other DIs	Collaboration in development and implementation of policies and best practices.	 To be aligned to the best practices. A highly competent human capital 	Best practice Capacity building Technical support
11.	Suppliers	 Delivery of goods as per the approved procurement guidelines. 	 Timely payment for goods and/ or services Honouring of contracts 	Quality goods and services Timely delivery of goods and services

3.3 Customer Value Proposition

Customer Intimacy/Centric: We identify our customer requirements and offer optimal solutions.

To the depositor – we promise the following:

- Timely payment of deposits
- Efficiency in complaints handling
- Timely resolution of failed banks

Timely debt recovery

To the member institution – we promise the following:

- Efficiency in complaints handling
- Reduced cost of compliance
- Continuous stakeholder engagement
- Adoption of best practice in risk minimization
- Structured research and development
- Bank Risk management.

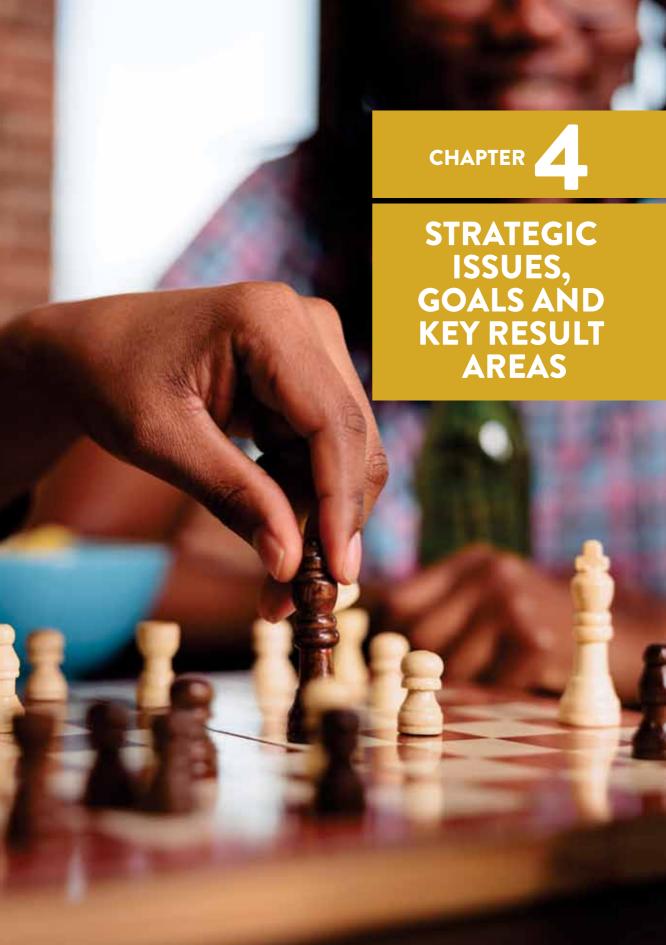
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Deposit insurance is a key component of financial stability, providing peace of mind to depositors and promoting confidence in the banking system.

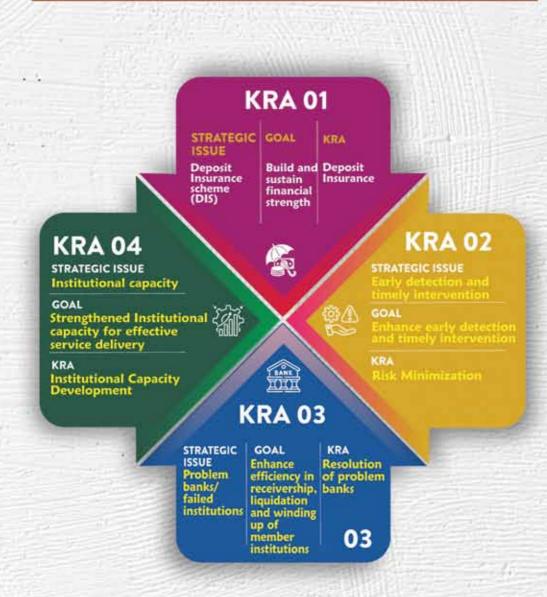
Ben Bernanke

Ben Shalom Bernanke is an American economist who served as the 14th chairman of the Federal Reserve from





STRATEGIC ISSUES, GOALS & KRA



This chapter outlines the strategic issues, strategic goals, and Key Results Areas (KRAs) that KDIC will focus on during the plan period in order to achieve the desired objectives. The issues, goals, and KRAs were arrived at by undertaking comprehensive analysis of the external and internal environments using relevant tools, stakeholder analysis and detailed review of the performance of the previous strategic plan.

4.1 Strategic Issues

These strategic issues have been derived from the facts and data provided by the external and internal analysis described in Chapter 3.

The strategic issues include:

Deposit Insurance scheme (DIS)

This refers to the measures implemented in a country to protect bank depositors in full or part from losses caused by banks inability to pay its debts when due, by guaranteeing that an account holders' money at an insured bank is safe up to a certain amount. Deposit insurance systems are one component of a financial system safety net that promotes financial stability.

Early detection and timely intervention

This refers to the ability of the Corporation to timely detect distressed banks and intervene before they become non-viable for the effective resolution and stability in the financial systems. It affords the insurer time to undertake any intervention measures including preparatory

tasks for prompt resolution. To carry out early detection, there is a need to invest in data analytics and sharing of timely, accurate and reliable information allowing for intervention well in advance before the member institution fails. To achieve this, there is a need for the enhancement of intervention tools and collaboration with other safety net players in crisis preparedness. These actions protect depositors and contribute to financial stability.

Problem banks/failed institutions

This refers to a bank that is facing trouble in the running of business through its capital adequacy, asset management, management style and practices, earnings and liquidity problems while failed institutions are banks that have become non-viable and their banking licence have been withdrawn by the Central Bank of Kenya and placed in liquidation under the management of the Corporation.

Institutional capacity

This includes the Foundation of the Institutions anchored on

the Human resource element of people, Information Technology and Communication Infrastructure. support systems functions. Business process reautomation engineering, of processes, digitization of records, standardization of systems, legal and regulatory frameworks, Leadership structures governance support the achievement of the Corporations Mandate, Vision and mission.

4.2 Strategic Goals

From the strategic issues raised above and in line with the Corporation's core mandate, the following goals will be implemented during the 2023-2028 Strategic Plan:

- Build and sustain financial strength
- Enhance early detection and timely intervention
- Enhance efficiency in receivership, liquidation and winding up of member institutions
- Strengthened Institutional capacity for effective service delivery

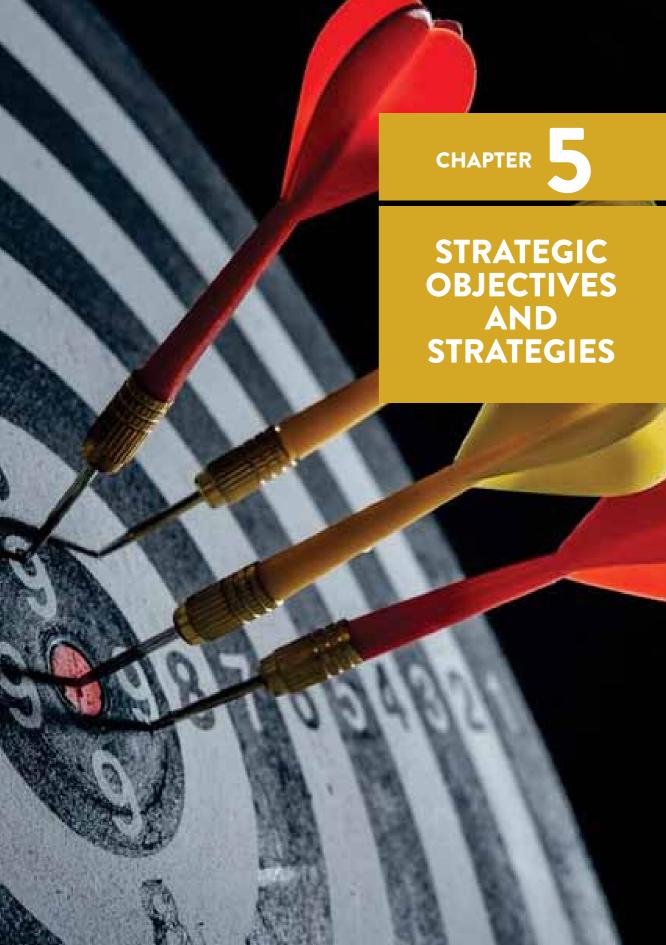
4.3 Key Results Areas

This section addresses the Key Result areas and linkage between the strategic goals and Strategic Issues. The Key Result Areas have been linked to achievement of the strategic goals.

- Deposit Insurance
- Risk Minimization
- Resolution of problem banks
- Institutional Capacity Development

Table 4.1 Strategic Issues, Goals and KRA

STRATEGIC ISSUE	GOAL	KRA
Deposit Insurance scheme (DIS)	Build and sustain financial strength	Deposit Insurance
Early detection and timely intervention	Enhance early detection and timely intervention	Risk Minimization
Problem banks/failed institutions	Enhance efficiency in receivership, liquidation and winding up of member institutions	Resolution of problem banks
Institutional capacity	Strengthened Institutional capacity for effective service delivery	Institutional Capacity Development



5.1 Strategic Objectives

This chapter captures the strategic objectives and their corresponding strategies.

Table: 5.1 Outcomes Annual Projections

Strategic	Outcome	Outcome		Pi	Projections		
Objective		Indicator Y1 Y2		Y2	Y3	Y4	Y5
	KRA1:	DEPOSIT INSURAN	ICE (DI)			
1.1 Prudent Management of the Deposit Insurance Fund	Growth of fund	Level of implementation of reviewed risk based premium model (%)	-	-	100	100	100
	Growth of investment income	Optimal Return on Investment (%)	10	10	10	10	10
	Budget utilization	Level of implementation of Budget Capping Policy (%)	-	100	100	100	100
1.2 Enhance depositor protection and compensation	Enhanced depositor protection and compensation	Level of implementation of Single Customer View (%)	-	100	100	100	100
		Level of implementation of proposed coverage limit (%)	100	100	100	100	100
	KRA	2: RISK MINIMIZA	TION				
2.1 Enhance risk minimization	Risk minimization enhanced	% Level of implementation of the Data Management and Analytics Strategy	-	100	100	100	100
		% of Members profiled	100	100	100	100	100
		% Level of implementation of the Reviewed DPS Model	-	-	100	100	100
2.2 To strengthen the regulatory framework	Regulatory framework strengthened	% Level of Compliance (IADI Core Principles)	87.5	100	100	100	100
2.3 Strengthen early intervention systems framework	Early intervention systems framework strengthened	% Level of implementation of Resolution Fund Framework	-	-	-	100	100

	Strategic		Outcome		Pr	ojectio	ns	
	Objective	Outcome	Indicator	Y1	Y2	Y3	Y4	Y 5
2.4:	To improve crisis management framework	Crisis management framework improved	% Level implementation of Crisis Management Framework	-	-	100	100	100
		KRA 3: RES	OLUTION OF PRO	BLEM BA	ANKS			
3.1	Reduce the amount owed by debtors	Increased rate of debt recovery	Amount of debts collected in Kes Billions	0.85B	1.10B	1.25B	1.30B	0.70B
	in financial institutions in Liquidation		Number of strategic partnerships established to support debt realization	1	2	2	1	1
3.2	Wind -up financial institutions in Liquidation	Wound up institutions	Number of targeted wound-up institutions	-	1	2	2	1
3.3	Improve the Crisis management	Developed Crisis management	Number of capacity building and trainings undertaken	1	1	1	1	1
	framework.	framework	Number of partnerships established		1	1	1	1
3.4	Improve the regulatory framework to strengthen resolution of problem Banks	Regulatory framework reviewed and enhanced.	Number of Stakeholder engagement forums	2	2	2	2	2
3.5	Establish and enhance	Strengthened collaboration	Number of strategic partners sensitized	2	2	2	2	2
	strategic collaboration and partnership with relevant stakeholders.	and partnership in resolving problem banks.	Number of MOUs signed		1	1	1	
	K	KRA 4: INSTITU	TIONAL CAPACITY	DEVE	.OPME	NT		
4.1:	4.1: To attract, acquire and	Optimum Staff establishment	No. of staff recruited	20	20	20	20	20
	retain talent		Staff Retention Rate (%)	95	95	95	95	95
			Level of Succession Planning Framework implementation (%)	-	100	100	100	100

Strategic		Outcome		Pi	ojectio	ns	
Objective	Outcome	Indicator	Y1	Y2	Y3	Y4	Y 5
4.2: Build a vibrant and cohesive organizational		Culture entropy index (%)	37	30	23	17	12
culture	Vibrant organizational culture	Corporate Culture exit survey Index (%)	81	85	90	92	95
4.3: To strengthen employee morale and motivation	Motivated workforce	Employee Satisfaction Index (%)	75	76	76.5	77	77.5
4.4: To institutionalize performance	Improved corporate performance	Staff Productivity index (%)	65	67	69	71	73
management and staff productivity	and staff productivity	Engagement index (%)	55	56	57	58	59
		Corporate Performance index (%)	95.87	96	97	98	99
4.5 To automate processes and digitize records	Automated processes and digitized records	% Level of EDRMS systems integration	-	-	100	100	100
records	records	% of Processes within functions automated/ digitized	40	70	90	100	100
4.6 Standardize Processes	Standardized processes	% level of implementation of identified relevant standards	100	100	100	100	100
4.7 Enhance prudence in the utilization	Prudent & accountable utilization of	Annual budgets	1	1	1	1	1
of resources	resources	Audited and published annual reports and financial statements	1	1	1	1	1
4.8 Improve public awareness	Increased public awareness	Public Awareness Index (%)	18	20	24	26	28
index from 14% to 28% by 2028	index from 14% in 2023 to 28% in 2028	Corporate Brand Perception Index (%)	69	71	73	75	79

5.2 Strategic Choices

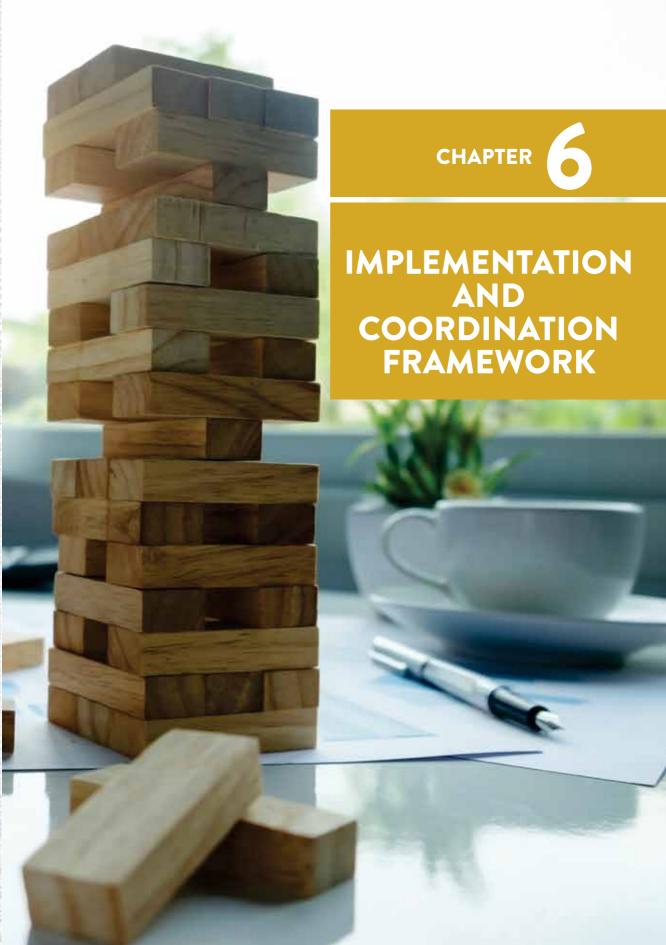
Table 5.2: Strategic Choices

KRA	STRATEGIC OBJECTIVE	STRATEGIES
KRA 1:	OBJECTIVE 1.1 Prudent Management of the Deposit Insurance Fund	Review the risk-based premium model framework Grow the investment income Develop and implement a KDIC Budget Capping Policy
DEPOSIT INSURANCE	OBJECTIVE 1.2: Enhance depositor protection and compensation	 Develop and implement a single customer view framework Develop and implement the Target Fund model Review of the coverage limit
KRA 2:	OBJECTIVE 2.1: Enhance risk minimization	 Develop and implement a Data Management and Analytics Strategy. Enhance the Risk Profiling framework Review the Risk-Based Premium Assessment Model / DPS Model Develop and issue risk minimization guidelines to member institutions Implement On-site Examination Framework
	OBJECTIVE 2.2: To strengthen the regulatory framework	Carry out compliance assessment with IADI Core Principles and FSB Key Attributes of effective resolution regimes Enhance Corporate Governance
	OBJECTIVE 2.3: Strengthen early intervention systems framework	 Develop a Bridge Bank Framework Develop a Resolution Fund Framework Implement intervention strategies
	OBJECTIVE 2.4: To improve crisis management framework	 Conduct Member Institution Resolvability Assessment Develop and implement Resolution Planning Guidelines (Living will)
KRA 3:	OBJECTIVE 3.1: Reduce the amount owed by debtors in financial institutions in Liquidation	Identify opportunities in alternative debt collection
RESOLUTION OF PROBLEM	OBJECTIVE 3.2: Wind -up financial institutions in Liquidation	Implement the developed winding up framework
BANKS	OBJECTIVE 3.3: Improve the Crisis management framework.	Develop and implement the Crisis management framework.

KRA	STRATEGIC OBJECTIVE	STRATEGIES
	OBJECTIVE 3.4: Improve the regulatory framework to strengthen resolution of problem Banks	 Conduct Regulatory Impact Assessment Collaborate with stakeholders to strengthen understanding of the Regulatory framework
	OBJECTIVE 3.5: Establish and enhance strategic collaboration and partnership with relevant stakeholders.	Directly engage the Strategic partners
INSTITUTIONAL CAPACITY DEVELOPMENT	OBJECTIVE 4.1: To Attract, acquire and retain talent	 Review and Implement HR Instruments. Undertake Capacity building program for all staff in their core areas to address performance Gaps. Coaching and mentoring Develop and implement a succession planning framework Unlock, nurture and harness talent Develop and implement Knowledge Management framework
	OBJECTIVE 4.2: Build a vibrant and cohesive organizational culture	 Inculcate a Corporate Culture aligned to the Corporate Values Organize and undertake annual corporate team building
	OBJECTIVE 4.3: To strengthen employee morale and motivation	 Enhance Staff Engagement and Morale Develop and implement a Staff Wellness plan
	OBJECTIVE 4.4: To Institutionalize performance management and staff productivity	 Implementation of the Performance Management System (PMS) Policy Develop and implement a staff productivity framework Undertake a workload analysis
	OBJECTIVE 4.5: To automate processes and digitize records	 Enhance utilization of the EDRMS Enhance systems security/ data protection and privacy Carry out Business Process Re-engineering and continual improvement Adopt emerging technologies
	OBJECTIVE 4.6: Standardize Processes	Identify and prioritize standards to be implemented and maintained
	OBJECTIVE 4.7: Enhance prudence in the utilization of resources	1. Ensure compliance with PFM Act, PPDA Act, National Treasury Circulars and other relevant regulations. 2. Enhance accountability 3. Enhance corporate planning

KRA	STRATEGIC OBJECTIVE	STRATEGIES
	OBJECTIVE 4.8: Improve public awareness index from 14% in 2023 to 28% by 2028	 Promote KDIC brand to enhance visibility Establish local, regional and global partnerships with stakeholders Establish a Deposit Insurance Academy Develop and implement deposit insurance literacy initiatives and roll-out in institutions of higher learning





The chapter presents the implementation plan, coordination framework, and the risk management framework. The implementation plan comprises of the action plan; annual workplan; budget and performance contracting. The coordination framework comprises of the institutional framework; staff establishment, skills set and competence development; leadership and systems and procedures. The risk management framework analyses the potential risks, their likelihood of occurrence, severity, and the possible mitigation measures.

6.1 Implementation Plan

The implementation plan describes how the strategic plan will be operationalized. It includes an action plan that breaks down the key activities, expected output, annual targets, resources and responsibility for the execution of the Corporation's objectives. Additionally, the implementation plan incorporates the annual workplan, which informs the annual budget and performance

targets, ensuring a holistic and goaloriented approach to strategic execution.

6.1.1 Action Plan

The outlined action plan maps out the strategies for each objective and key activities to be accomplished. It also incorporates the targets for the five years, the budgetary needs, and assigns responsibilities to ensure the successful attainment of the stated objectives.



The outlined action plan maps out the strategies for each objective and key activities to be accomplished. It also incorporates the targets for the five years, the budgetary needs, and assigns responsibilities to ensure the successful attainment of the stated objectives.

Table 6.1. Implementation Matrix

	Key Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	(u		Respor	Responsibility
strategy	tivities	Output	indicators	5 years	7.	Y2	¥3	Y4	75	1	72	X3	Y4	Y5	Lead	Support
Strategic I	Issue: Deposit	Strategic Issue: Deposit Insurance scheme	heme (DIS)													
Strategic (Goal: Build ar	Strategic Goal: Build and sustain financial	ancial strength													
KRA 1: De	KRA 1: Deposit Insurance	.e														
Outcomes	: Growth of t	he fund, Grov	Outcomes: Growth of the fund, Growth of investment income, Budget utilization (Absorption of allocated funds)	ent income, E	3udget u	tilization	(Absor	ption of	allocate	spung pa						
Strategic (Objective 1.1	1: Prudent Ma	Strategic Objective 1.1: Prudent Management of the Deposit Insurance Fund	he Deposit In	surance	Fund										
Review the risk- based premium model frame- work	Review and imple- ment the risk-based premium model	Reviewed risk based premium model	Approved risk based premium model	1				-	,		,		7.5		D-R&E	DD-R&E
	Compute respective banks	Assessed premiums	Assessed and received	7.7	1	1	-	-	1	o O	OP	OP	OP	OP	D-R&E	DD-R&E
	premiums		premiums	5	1	1	1	1	1	ОР	OP	OP	OP	OP	D-R&E	DD-R&E
	Collect, account and invest the premiums		report	rv	-	1	-	-	-	dO	o o	QO	g	ď	D-R&E	DD-R&E
Grow the investment income	Review the investment policy	Reviewed invest- ment policy	Approved investment policy	1		,	-			,	,	-	,		D-R&E	DD- Finance
	Invest the funds for optimal return on investment	Optimal portfolio	Optimal return on investment	10	10	10	01	01	01	OP	OO	OP	OO	OO	D-R&E	DD- Finance

	Kev Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	Ē		Responsibility	sibility
Strategy	tivities	Output	indicators	5 years	7.	72	۲3	74	75	5	Y2	۲3	74	75	Lead	Support
	Enhance portfolio manage- ment and review portfolio perfor- mance targets			-		-			,		-	,	,	1	D-R&E	DD- Finance
	Regularly monitor and report on the in- vestments	Regular reports on perfor-mance of the investment	Reports	20	4	4	4	4	4	dO	dO .	dO .	dO .	OO	D-R&E	DD- Finance
Develop and im- plement a KDIC Budget Capping Policy	Develop and imple- ment the KDIC Budget Capping Policy	Budget Capping Policy	Approved budget capping policy	-	,	-	ı	,	1		1.5	,		,	D-R&E	DD. Finance
Outcome:	Depositor pro	otection and o	Outcome: Depositor protection and compensation enhanced	enhanced												
Strategic C	Strategic Objective 1.2: Enhance depositor	: Enhance de	positor protec	· protection and compensation	pensatio	u										
Develop and im- plement a single customer view frame-	Develop appro- priate templates, policies and proce- dures	Single customer view frame- work	framework	-		-					1.5				D-R&E	DD-R&E

	75	Output	Target for			Target				Bu	Budget (Mn)	(m)		Respon	Responsibility
10		N	5 years	¥	72	73	74	Υ5	۶	7,5	۲3	74	Υ5	Lead	Support
Convene Engaged Number of stake- stakehold- forums holder en- ers gagement forums	Number of forums		4	1	4	ı	ı	1	ı	1.5	,	,	,	D-R&E	DD-R&E
Implement Single % of the single customer implemencustomer view tation 10 view	men-	01	100	1	100	100	001	100	ı	OP	OP	ď	dO	D-R&E	DD-R&E
Develop Devel- Approved the Target oped tar- target fund Fund get Fund model Model	Approved target fund model			,	-	,			,	1.5		,		D-R&E	DD-R&E
Convene Stakehold- Number stake- ers' en- of forums holder en- gagement held 4 gagement forum forum forums		4				4					2	,		D-R&E	DD-R&E
Imple- % of mented implementarget fund target fund fund model model		100	0	1			100	100	1			ď	dO	D-R&E	DD-R&E
Convene Stakehold- Number stake- ers' en- of forums holder en- gagement held 3 gagement forum convened		М				m					1.5	,		D-R&E	DD-R&E

sibility	Support	DD-R&E						DD BE	DD BE	DD BE
Responsibility	Lead	D-R&E						D. R&E	D. R&E	D. R&E
	75	,						1	,	ı
(m)	74	,						1	,	1
Budget (Mn)	۲3	2						1.5	6.5	0.5
B	Y2							1	1	1
	7.1	,						,	,	
	75	ı						ı	,	,
	74	,						,	,	,
Target	УЗ	-						-	-	52
	Y2	,						ı	1	,
	¥	,		_				1	1	,
Target for	5 years	1	ntion	y interventior			nı	-	-	52
Output	indicators	Approved coverage limit	timely interve	ion and timely		pa	sk minimizatic	Guidelines	Guidelines	Member profiles
Expected	Output	Reviewed coverage limit	etection and	early detect	no	ation enhance	1: Enhance ris	Approved Guidelines	Approved Guidelines	Early detection systems developed
Key Ac-	tivities	Develop proposed coverage limit	Strategic Issue: Early detection and timely intervention	Strategic Goal: Enhance early detection and timely intervention	KRA 2: Risk Minimization	Outcome: Risk minimization enhanced	Strategic Objective 2.1: Enhance risk minimization	Document guidelines for col- lection of data	Document data pro- tection and security guidelines	Develop early warn- ing system indicators
	strategy		Strategic I	Strategic (KRA 2: Ri	Outcome:	Strategic (Develop and im- plement a Data Manage- ment and Analytics Strategy.		Enhance the Risk Profiling frame- work

	4						
Responsibility	Support	DD BE	DD BE	DD BE	DD BE	DD BE	DD BE
Respon	Lead	D. R&E	D. R&E	D. R&E	D. R&E	D. R&E	D. R&E
	75	,	ı	,	o o	,	,
/u)	74	1.0	6.5	1.0	dO	15.0	1.5
Budget (Mn)	۲3	ı	,	ı	ı	•	
ā	72	,	,	,	ı	,	,
	7	,	,	1	ı	ı	1
	75	ı	•	1	100	,	•
	Y4	1	-	7	100	1	ю
Target	Y3	•	,	,	,	ı	ı
	72	,	,	,	,	,	1
	¥		,	ı		,	,
Target for	5 years	1	1	7	100	1	8
Output	indicators	Constituted working group	Revised model	Number of engage-ments	% of im- plementa- tion of the reviewed model	Guidelines issued	Number of forums
Expected	Output	Technical Working Group consti- tuted	Reviewed model	Stakehold- er par- ticipation on the reviewed model	Reviewed model im- plemented	Issued guidelines	Stakehold- er par- ticipation forums held
Key Ac-	tivities	Constitute model review Technical Working Group.	Conduct review of the model	Stake-holder engagement on the reviewed model	Imple- ment the reviewed model	Develop risk mini- mization guidelines	Hold stake- holder forums
	strategy	Review the Risk-Based Premium Assess-	Model / DPS Model			Develop and issue risk mini- mization guide-	member institu- tions

Responsibility	Support	DD BE			DD BE	٥. ٦	D. R&E	D. R&E
Respor	Lead	D. R&E			D. R&E	D. R&E	D. LA	DD. S&P
	75	,			,	2.0	,	g
An)	γ4	,				2.0	1	OO
Budget (Mn)	Y3				10.0	2.0	ı	Ö
B	72	-			,	5.0	0.4	g
	5	,			,	2.0	,	g
	Y5				,	-	,	4
	74				,	-	,	4
Target	Y3	,			-	-	ı	4
	Y2	-			,	-	-	4
	Y	,		rk	,	-	,	4
Target for	5 years	-		tory framewo	-	ν	-	20
Output	indicators	Framework	engthened	Strategic Objective 2.2: To strengthen the regulatory framework	Report	Number of engage- ments and reports from knowledge	Report	Risk report
Expected	Output	On site exami- nation frame- work developed	amework stre	2: To strength	Recom- menda- tions from the assess- ment	Recom- menda- tions from knowl- edge sharing	Recom- menda- tions from the audit	Reviewed risk reg- ister
Key Ac-	tivities	Develop and imple- ment on site ex- amination framework	Outcome: Regulatory framework strengthened	Objective 2.	Engage IADI expert assessors to conduct compliance assessment	Conduct Knowledge shar- ing and exchange	Conduct legal and govern- ance audit	Quarterly review of the risk register
	strategy	Imple- ment On-site Exami- nation Frame- work	Outcome:	Strategic (Carry out compliance assess-ment with IADI Core Principles	tributes of effective resolution regimes	Enhance Corporate Govern- ance	

Responsibility	5 Lead Support			D. R&E	Q Q X X	Q Q Q Q & Q	Q Q Q Q Q X X X X	O O O O O S S S S S S S S S S S S S S S	O O O O O O O O O O O O O O O O O O O
	Y4 Y5		. 10.0		2.0 2.0				
nager (will)	۲3		,		2.0	5.0	5.0	5.0	. 5.0
	Y1 Y2								
	Y5			2	1				
larger	74		-	7		-	- 2	- 2 -	- 2
	Y2 Y3			- 2					
	٠ ۶	ramework	ı	,					
0	5 years	work strengthened intervention systems framework	-	9		-	- 4	L 4 L	- 4
	indicators	framework st early interver	Framework	No. of Stakehold-	ei eiigage- ments	ments Framework	Framework No. of Stakehold- er engage- ment	Framework No. of Stakehold- er engage- ment Report	Framework Framework Stakehold- er engage- ment Report
	Output	ition systems	Support- ing frame- work developed	Engaged stakehold- ers		esolu- n fund ame- vork	esolu- n fund ame- vork iaged	- 1	, b b t d.
Kev Ac-	tivities	Outcome: Early intervention systems framework strengthened Strategic Objective 2.3: Strengthen early intervention system	Develop a support- ing policy framework	Engage with stake- holders		Create a supporting policy framework	Create a supporting policy framework Engage with stake-holders.	Create a supporting policy framework framework with stakeholders. Conduct bank viability assessments – liquidity	ke ork ork
	Strategy	Outcome: Strategic C	Develop a Bridge Bank Frame- work			Develop a Resolu- tion Fund Frame- work	Develop a Resolu- tion Fund Frame- work	Develop a Resolu- tion Fund Frame- work	Develop a Resolu- tion Fund Frame- work

	Kev Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	(u)		Respon	Responsibility
Strategy	tivities	Output	indicators	5 years	7.	72	۲3	74	7.5	¥	72	۲3	74	75	Lead	Support
Imple- ment in- tervention strategies	Develop and imple- ment prompt corrective action framework	Prompt corrective action frame- work developed	Framework	-			-	,				1.0	,		D. R&E	DD BE
	Develop Deposit Insurance Fund Res- toration Framework	Deposit Insurance Fund Res- toration Frame- work developed	Framework	-				-				,	10.0		D. R&E	DD BE
Outcome:	Crisis manage.	ment framew	Outcome: Crisis management framework improved													
Strategic C	Strategic Objective 2.4: To improve crisis	To improve		management framework	ork											
Conduct Member Institution Resolv- ability As- sessment	Document resolution procedures and options for member institutions	Enhanced resolution toolkit	Procedures/ Framework	-			-		,			60.0		•	D. R&E	DD BE
Develop and im- plement Resolution Planning Guidelines (Living	Design Resolution Planning Framework	Resolution Planning Frame- work	Framework	-		-					0.09				D. R&E	DD BE

Key Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	(u)		Responsibility	sibility
tivities	Output	indicators	5 years	۶	72	X 3	74	75	7	72	¥3	74	Υ 2	Lead	Support
Develop guidelines and tem- plates for resolution planning and issue to member institutions	Approved guidelines	Guidelines	-		,		-	'	'		·	1.5	,	D. R&E	DD BE
Hold stake- holder workshops	Engaged stakehold- ers	No. of Stakehold- er engage- ment	9	ı	ı	ı	m	m	,	,	ı	3.0	3.0	D. R&E	DD BE
Document resolution plans.	Devel- oped plans	Developed plans	1	,	,	,	ı	-	,	,	,	,		D. R&E	DD BE
roblem	Strategic Issue: Problem banks/failed institutions	institutions													
nhance	efficiency in 1	Strategic Goal: Enhance efficiency in receivership, liquidation and winding up of member institutions	quidation and	winding	g up of r	nember	· instituti	ons							
n of pre	KRA 3: Resolution of problem banks														
sed rate	Outcome: Increased rate of debt recovery	very													
tive 3.1:	Reduce the	Strategic Objective 3.1: Reduce the amount owed by debtors in financial institutions in liquidation	by debtors in	financial	instituti	ons in l	iquidatic	uc							
Adopting alterna- tive debt collection methods	Increased amounts of debt collected.	Amount of debt collected in Kenya shillings.	Kes 5 billion	0.85	17	1.25	1.30	0.70	3.5	4	4	4	4	D-Resolu- tion	DD-Reso- lution

Key Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	(u)		Responsibility	sibility
	Output	indicators	5 years	۶	72	۲3	74	Υ5	۶	72	73	74	75	Lead	Support
0, 2 0, 2	Strategic relation- ships es- tablished	Number of partner- ships cre- ated	۲	-	7	Ν	-	-	m	15.0	9	4	4	D-Resolu- tion	DD-Reso- lution
	Outcome: Wound up institutions														
	Strategic Objective 3.2: Wind-up financial		institutions in liquidation	ion											
	Devel- oped frame- work	Approved framework	-						1	9	9	12	9	D-Resolu- tion	DD-Reso- lution
	Institu- tions profiled	Report(s) on profiled institutions	0	7	0	Ν	~	Ν	1.5	9	rV.	rv.	r.	D-Resolu- tion	DD-Reso- lution
	Wound up institu- tions	Number of institutions wound up	Φ	,	7	2	2	1	9	01	12	12	9	D-Resolu- tion	DD-Reso- lution

sibility	Support	DD-Reso- lution			DD Reso- lution	DD Reso- lution	DD-R&E
Responsibility	Lead	D-Resolu- tion			D. Resolution	D. Reso- lution	D-R&E
	75				5.0		ω
(m)	Y4				5.0		∞
Budget (Mn)	Y3				5.0	2.0	ω
B	Y2	Q			10.0		∞
	,						ω
	Y5				-		-
	Y4				-		-
Target	¥3				-	-	-
	Y2	ю			-		-
	Y			ork			-
Target for	5 years		~	management framework	4	-	-
Output	indicators	Number of document- ed experi- ences	ent framewor		No. of engagements	Framework	Number of crisis prepared- ness and simulations carried out
Expected	Output	Docu- mented experi- ences	isis managem	: Improve the	Enhanced prepared- ness	Crisis Manage- ment Frame- work developed	Crisis pre- paredness and simu- lations training carried out
Key Ac-	tivities	Document resolution experi- ences for Institutions in liquidation	Outcome: Developed crisis management framework	Strategic Objective 3.3: Improve the crisis	Hold crisis prepar- edness workshops with stake- holders	Develop a Crisis Man- agement Framework	Carryout crisis pre- paredness and simu- lations.
	strategy		Outcome:	Strategic C	Develop and im- plement Crisis Manage- ment Frame-	work (KDIC + Financial Sector)	

	Expected	Output	Target for	-		Target				Ba	Budget (Mn)	(u		Responsibility	sibility
1 0	Output	indicators	5 years	۶	72	¥3	74	75	۶	72	У 3	74	Υ5	Lead	Support
Enhanced capac- ity on alternative debt col- lection	ed tive ol-	Number of capacity building and train- ings under- taken.	7	7	7	7	7	7	٥	5	5	5	٥	D-Resolu- tion	DD-Reso- lution
Establish Cross- border collabora- tion and partner- ships.	ish ora- nd	Number of partner- ships estab- lished	4		-	-	-	-	,	01	7.5	7.5	7.5	D-Resolu- tion	DD-Reso- lution
amewor	k revi	Outcome: Regulatory framework reviewed and enhanced.	anced.												
: Impro	ve the	Strategic Objective 3.4: Improve the regulatory framework	ımework												
RIA Report	d	Number of reports	-	,	-	1	,	,	,	ιν	,	,	1	9. LA	D-Reso- lution D. R&E
Recom- menda- tions im- plemented	ed .	% of implementations recommended	100		20	50	08	001		15	rV	rV	70	٥. ل ج	D-Reso- lution D. R&E

Expected		Output		Target for			Target				Bu	Budget (Mn)	2		Responsibility	sibility
tivities Output indicators 5 years Y1	indicators 5 years	5 years		7		72	۲3	44	75	5	72	X 3	74	75	Lead	Support
Conduct Convened Number of stakehold- stakehold- forums 5 1	Number of forums	of	رم	-		1	1	1	1	72	72	75	ιζ	5	D. IA	D-Reso- lution D. R&E
Conduct Knowl- Report knowledge edge exchange exchange and research in developed jurisdiction	nge Icted	4		1		-	-	-	-		2.0	2.0	2.0	5.0	<u>4</u>	D-Reso- lution D. R&E
Outcome: Strengthened collaboration and partnership in resolving problem banks.	collaboration and partnership in resolving pro	and partnership in resolving pro	ip in resolving pro	g pro	bler	n banks.										
Strategic Objective 3.5: Establish and enhance strategic collaboration and partnership with relevant stakeholders.	: Establish and enhance strategic collaboration	d enhance strategic collaboration	egic collaboration	ıtion	and	partner	ship wit	th releva	ınt stake	holders.						
Organize Stake- Number stake- holder en- of forums holder en- gagement forums forums to conducted partner and col- laborate in resolving problem banks	Number of forums ent held steed	9		7		7	7	7	7	4	4	4	4	4	D-Resolu- tion	DD-Reso- lution

	Key Ac-	Expected	Output	Target for			Target				Bu	Budget (Mn)	Œ.		Responsibility	sibility
strategy	tivities	Output	indicators	5 years	۲۱	Y2	Y3	Y4	75	7.	Y2	У3	¥4	75	Lead	Support
	Support Financial Regulators Forum to foster financial	Financial Regulator forums supported	Number of forums supported							1	01	01	01	10	D-Resolu- tion	DD-Reso- lution
	Sensitize and educate the strategic partner on their role in the resolution process	Strategic partners sensitized on the resolution process	Number of strategic partners sensitized	9	7	α	Ν	Ν	Ν	1	rV.	ν	ιΛ	ιΛ	D-Resolu- tion	DD-Reso- lution
	Formalize Partner- ships	Signed MOUs	Number of MOUs signed	М		1	-	-	,						D-Resolu- tion	DD-Reso- lution
Strategic Is	Strategic Issue: Institutional Capacity	nal Capacity														
Strategic G	Strategic Goal: Strengthened Institutional capacity for effective service delivery	ened Institution	onal capacity f	or effective se	rvice de	livery										
KRA 4: Ins	KRA 4: Institutional Capacity Development	acity Develop	oment													
Outcome:	Outcome: Optimum Staff establishment	f establishme	int													
Strategic C	Strategic Objective 4.1: To Attract, acquire and retain talent	To Attract, a	cquire and ret	ain talent												
Review and Im- plement HR Instru- ments.	Populate the staff establishment to optimum levels.	Optimum staff estab- lishment	No. of staff recruited	95	15	50	50	50	50	50	75	75	75	75	DD- HR&A	AD/PO – HR &A

ility	Support	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A	
Responsibility	Lead Si	DD- A HR&A I	DD- A HR&A I	DD- A HR&A I	DD- A HR&A I	QQ
<u>~</u>		<u>о</u> д	口 三 二	스불	스불	
	Y5	Ö	7	m	m	
Mn)	Y4	Ö	7	м	m	,
Budget (Mn)	У 3	o o	7	m	m	,
ā	Y2	రీ	7	M	m	,
	Į,	o o	7	М	m	-
	75	100	-	-	100	,
	Y4	06	-	-	06	,
Target	Y3	80	-	-	20	ı
	Y2	09	-	-	50	,
	7.	40	1	-	30	-
Target for		100	5	Ŋ	100	-
Output	indicators	% level of implementation of the organizational structure	No. of reports	Skill Gap Analysis report	% level of implementation	Framework
Expected	Output	Adopted organi- zational structure	Skills Mapping under- taken	Skill Gap Analysis under- taken	Coach- ing and mentoring program imple- mented	Approved Frame- work
Key Ac-	tivities	Imple- ment/ adopt the new organi- zational structure	Undertake skills map- ping	Conduct and imple- ment a skills gap analysis.	Imple- mentation of the Coaching and Men- torship Program	Develop a succession planning policy framework
	strategy		Undertake Capacity building program	for all staff in their core areas to address perfor- mance Gaps.	Coaching and men- toring	Develop and im- plement a succession planning frame- work

Responsibility	Support	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A
Respor	Lead	DD HR/A	DD HR/A	DD HR/A	DD HR/A	DD- HR&A
	75	1.5	,	1.5	,	,
An)	74	1.5	,	1.5	,	,
Budget (Mn)	۲3	1.5	,	1.5	1	•
B	Y2	-	,	-	7	rU
	۶	-	-	-	,	,
	75	100	,	100	,	,
	7.4	80	,	80	,	,
Target	Х 3	09	,	09	,	,
	72	40	,	40	-	100
	7.	20	-	20	ı	
Target for	5 years	100	1	100	-	100
Output	indicators	% level of implementation	Approved Talent Manage- ment Policy	% level of implementation	Approved Framework	% of staff trained on Knowledge Manage- ment
AD/PO -	HR &A	Succession planning frame- work im- plemented	Talent Manage- ment Policy developed	Talent Manage- ment Policy im- plemented	Frame- work developed	Capacity building under- taken
\$\ 0	Y/YL	Imple- ment a succession planning framework	Develop a Talent Manage- ment Policy	Implement a Talent Manage- ment Policy	Develop a Knowledge Manage- ment Framework	Capacity building for staff on Knowledge Manage- ment
,	Strategy		Unlock, nurture and har- ness talent		Develop and im- plement Knowl- edge Manage- ment	frame- work

sibility	Support			AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A
Responsibility	Lead			DD- HR&A	DD- HR&A	DD- HR&A
	75			m	1.5	12
(u)	74			m	1.5	=
Budget (Mn)	۲3			m	1.5	10
B.	72			м	1.5	0
	۶			m	1.5	∞
	۲۶			12	-	М
	74			12	-	м
Target	٤			23	-	м
	72		ture	30	-	м
	7		ional cul	37	-	м
Target for	5 years		ive organizat	27	гO	51
Output	indicators	ure	ant and cohes	Corporate Culture Entropy	Corporate Culture report	Number of planned activities
Expected	Output	izational cult	: Build a vibr	Recom- mendat- ions adopted	Corporate Culture Exit Survey un- dertaken	Improved Culture & Team work
Key Ac-	tivities	Outcome: Vibrant organizational culture	Strategic Objective 4.2: Build a vibrant and cohesive organizational culture	Implement recommendations of the Corporate Culture Baseline Survey 2022/2023 through the culture change implementation matrix.	Undertake an exit Corporate Culture Baseline survey	Organ- ize team building, sports day and end of year party.
3	Strategy	Outcome:	Strategic C	incul- cate a Corporate Culture aligned to the Corporate Values		Organ- ize and undertake Annual Corporate Team building

•		Expected	Output	Target for			Target				Bu	Budget (Mn)	An)		Respon	Responsibility
tivities Output	Outpu		indicators	5 years	7	72	۲3	74	75	¥	72	¥ 3	74	75	Lead	Support
Outcome: Motivated workforce	kforce															
Strategic Objective 4.3: To strengthen employee morale and motivation	o stren	gthe	n employee m	orale and mo	tivation											
Carry out ESS Report Employee / Staff Satisfaction survey	SS Repo	ort	ESS Index	80	72	74	92	78	80	1.5	1.5	1.5	1.5	1.5	DD- HR&A	AD/PO – HR &A
Implement Recom- recommen- menda- dations of tions im- the Staff plemented Engage- ment & Morale Survey/ work Er- gonomics survey	Recom- nenda- ions im slement	- p	% Level of implementation of the recommenda-tions	100	100	100	100	100	100	7	0	7	е	ю	DD- HR&A	AD/PO – HR &A
Prepare Staff the Staff wellness Wellness plan and Plan and programs Wellness prepared	taff vellness vlan and vrogram vrepare	To Se To	Prepared staff wellness plan and programs	4	,	1	1	1	1		5	5	5	7.	DD- HR&A	AD/PO – HR &A
Outcome: Improved corporate performance and staff productivity	rate per	for	mance and sta	iff productivity	>											
Strategic Objective 4.4: To institutionalize performance management and staff productivity	o institu	ıtiol	nalize perform	ance manager	nent and	d staff p	roductiv	۸ity								
Automattion of BSC ed BSC tool. tool with functional modules	Autome ed BSC ool wit unctior nodule	th hal	% level of automation	00	,	100	100	001	001	0	10	1	1		DD- S&P	РО- 5&Р
_		ĺ														

	t	E	_	_ 4	_ 4	- A
Responsibility	Support	DD-HR	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A
Respo	Lead	DD- S&P	DD-HR	DD- HR&A	DD- HR&A	DD- HR&A
	75		25			
Mn)	74	,	50	,	,	
Budget (Mn)	Y3	ı	20	,	,	
ā	72	ιO	20	,	,	,
	Y		15	7	1	
	75	100	100			
	74	100	100	•	•	
Target	У 3	100	100			,
	72	100	100	,	,	,
	Y.		100	1	1	
Target for	5 years	100	100	-	-	-
Output	indicators	% of staff trained on the automated BSC tool	% of eligible employ-ees to be rewarded	Approved productivity framework developed	Productivi- ty measure- ment data report	Computed productivity index
Expected	Output	Staff Capacity building under- taken	Employee perfor- mance reviewed and re- warded	Approved Staff Pro- ductivity metrics	Produc- tivity measure- ment data collected	Productivity index
Key Ac-	tivities	Capacity Building on the automat- ed BSC tool / Per- formance Manage- ment Module	Planning, moni- toring, review- ing and rewarding employee perfor- mance	Develop- ment of a staff productiv- ity metrics	Collection of pro-ductivity measure-ment data	Compute productivity in index
	strategy			Develop and im- plement a staff productiv-	ity frame- work	

lity	Support	AD/PO – HR &A	AD/PO – HR &A	AD/PO – HR &A			AD/PO – HR &A	AD/PO – HR &A	SO - ICT
Responsibility		1					<u> </u>		
Resp	Lead	DD- HR&A	DD- HR&A	DD- HR&A			DD- HR&A	DD- HR&A	DD-ICT
	75		•	m			•	2	OP
(u)	74	•	,	m			•	2	OP
Budget (Mn)	۲3		,	m			•	2	OP
ă	72	,	72	,			2	7	4.6
	۶	õ	,	,			,	,	Q
	75	,	ı	04				100	
	74	,	,	30			,	80	
Target	73	,	,	30			,	09	
	42	1	-	1			-	40	
	F	-	,	,		ords	,	,	
Target for	5 years	-	-	100	sk	d digitize recc	-	100	100
Output	indicators	Workplace productiv- ity im- provement strategy	Workload analysis report0	% Level of implementation of the recommenda-tions	ligitized recore	e processes and	Approved Records Manage- ment policy	% level of implementation	% of systems integrated
Expected	Output	Work- place pro- ductivity improve- ment strategy developed	Workload analysis conducted	Balanced	rocesses and c	: To automate	Records Manage- ment Policy developed	Approved records Manage-ment Policy	EDRMS integra- tion
Key Ac-	tivities	Develop- ment of workplace productiv- ity im- provement strategy	Conduct a workload analysis	Implement the recom- menda- tions of the workload analysis report.	Outcome: Automated processes and digitized records	Strategic Objective 4.5: To automate processes and digitize records	Develop and imple- ment a Records Manage- ment Policy	Implement a Records Manage- ment Policy	Integrate EDRMS to new/exist- ing systems
	Strategy		Under- take a workload	analysis	Outcome:	Strategic C	Enhance utilization of the EDRMS		

Responsibility	Support	SO - ICT	SO - ICT	SO - ICT	SO - ICT	SO - ICT
Respon	Lead	DD-ICT	DD-ICT	DD-ICT	DD-ICT	DD-ICT
	75	OP	ďO	OP	0	9
An)	Y4	OP	OO	OP	3	0
Budget (Mn)	Y3	OP	dO .	7.	0	Φ
B	Y2	1	o o	2	0	v
	¥	r2	dO .	QO	К	٧
	75	,	4	,	,	-
	74	,	4	,	1	,
Target	Y3	•	4	м	1	-
	Y2	100	4	2	ı	,
	Y	100	4	1	1	-
Target for	5 years	100	20	v	-	7
Output	indicators	% of staff trained in records manage-ment	No. of periodic reports generated	No. of reports	Approved policy	Audit reports
Expected	Output	Staff trained on EDRMS	Monitor- ing and evaluation report	DPIA Report	Data Protection policy de- veloped	Enhanced infor- mation security
Key Ac-	tivities	Build capacity on digitized records management	Define and carry out periodic monitoring and evaluation of EDRMS	Carry out data protection impact assessment (DPIA)	Develop and imple- ment data protection policy	Enhance data security controls to ensure Confidentiality, Integrity and Availability
	strategy			Enhance systems security/ data protection and	privacy	

	21.0				
Responsibility	Support	PO-S&P	DD-ICT	SO - ICT	SO - ICT
Respon	Lead	DD. 5&P	DD- 5&P	DD-ICT	DD-ICT
	75	9	d O	d O	dO
An)	Y4	ν	O	50	QO
Budget (Mn)	У 3	4.5	Ö	Ö	Ö
Ā	72	4	ιΛ	Q	m
	¥	m	m	09	ō
	75	4	100		•
	Y4	4	100		
Target	X3	4	100		•
	72	4	100		-
	¥	4	100		
Target for		50	100		-
Output	indicators	Quarterly reports	% level of BPR workplan implementation	% of processes within functions auto-mated/digitized	No. of research reports
Expected	Output	BCP frame- work	Business process Re-engi- neering workplan reviewed	Auto- mated / digitized processes within functions	Research
Key Ac-	tivities	Ensure Business Continu- ity by reviewing, monitoring and imple- mentation of the BCP framework	Imple- ment and continu- ally review Business Process Re- engineer- ing work plans.	lden- tify and automate processes	Research on emerg- ing tech- nologies as appropri- ate
	strategy		Carry out Business Process Re-engi- neering and continual improve- ment		Adopt emerging technolo- gies

_	Key Ac-	Expected	Output	Target for			Target				Bū	Budget (Mn)	(m)		Responsibility	sibility
	tivities	Output	indicators	5 years	7	Y2	χ3	7 4	75	7.	72	Х3	7 4	Y 5	Lead	Support
	Develop and imple- ment policies that will guide data manage- ment and govern- ance	Approved policies developed	No. of policies developed	-	-	,	1	1	1	o O	o O	Ö	ò	Ö	DD-ICT	SO - ICT
, U	Outcome: Standardized processes	orocesses														
.2	ective 4.6:	Strategic Objective 4.6: Standardize Processes	Processes													
~ ~ ~ ~ ~ ~ ~	Identify standards for imple- mentation and main- tenance	Standards identified	Number of Standards identified	4	-	-	-	-		2	2	7	2	•	DD – 5&P	РО-5&Р
	Imple- ment and maintain identified relevant Standards	Standards	No. of standards	4	-	-	-	-	,	m	m	ĸ	ĸ		DD – 5&P	РО-5&Р
J m m 77 75	Undertake audits and administra- tion of the Standards	Audit report	No. of audits	4	-	-	-	-		o o	dO .	o do	ŏ	•	DD – S&P	РО-5&Р

,	Kev Ac-	Expected	Output	Target for			Target				B	Budget (Mn)	(u)		Respon	Responsibility
Strategy	tivities	Output	indicators	5 years	¥	72	Х3	74	75	۲	Y2	۲3	74	75	Lead	Support
	Docu- ment the processes in line with the Stand- ards	Processes docu- mented	% of processes docu-mented	00	100	100	100	100	,	O	QO	Q	O O	1	DD – S&P	PO-5&P
	Undertake annual capacity building on the various Standards.	Capacity building programs under- taken	Annual capacity building programs	4	-	1	-	-	,	1	к	4	5	1	DD - S&P	PO-S&P
Outcome:	Outcome: Prudent & accountable utilization	ountable utili	zation of resources	urces												
Strategic O	bjective 4.7:	Enhance pru	dence in the u	Strategic Objective 4.7: Enhance prudence in the utilisation of resources	sonrces											
Ensure compli- ance with PFM Act, PPDA Act, National Treasury Circulars and other relevant regula- tions.	Prepare and implement annual workplans, annual budgets and pro- curement plans	Approved annual work-plans, budgets and procurement plans	Annual workplan budget and procure- ment plan	15	m	m	m	m	m	m	~	m	m	m	DD- S&PDD-F	

>	tro	9.50 P	G&P	<u>ц</u>	뜨	
nsibilit	Support	PO-S&P	PO-S&P	PO-F	PO-F	
Responsibility	Lead	DD- S&P	DD- S&P	DD - F	DD-F	PO-SCM
	75	7.5	5.0	1.5		
(uy	γ4	7.5	5.0	1.5		
Budget (Mn)	۲3	7.5	5.0	1.5		
B	۲2	7.5	5.0	1.5		1.25
	7.	7.5	Ö	1.5		1
	75	4	100	-		
	74	4	100	-		
Target	УЗ	4	100	-		
	Y2	4	100	-		-
	5	4	100	1		,
Target for	5 years	20	100	rð.	-	-
Output	indicators	Quarterly and annual monitoring reports	% of im- plementa- tion of the proposed Corrective Action Plans	Audited and pub- lished annual reports and financial statements	Approved finance policy	Approved procure- ment policy
		Quarterly and annual monitoring reports prepared	Imple- mentation of the Corrective Action Plans	Annual reports and financial statements	Reviewed finance policy	Reviewed procure- ment policy
		Undertake quarterly, mid-year and annual monitoring, evaluation and reporting of the rolling strategic plan	Carry out audits and implement recommen- dations	Prepare and pub- lish annual reports and finan- cial state- ments.	Review and moni- tor the	implemen- tation of the finance and pro- curement policies
	otrategy			Enhance account- ability	Enhance corporate planning	

Responsibility	Support	PO-F			SO-CC	so-cc	SO-CC	PO-CC
Respon	Lead	DD-F PO-SCM			PO. CC	PO-CC	PO-CC	Commit- tee
	75				0	40	7	0
(u)	Y 4				0	80	2	0
Budget (Mn)	Х3				0	70	2	0
B	72	0.2			4	74	7	7
	Į,	•				32	7	,
	Y5	100			0	28	62	,
	74	100		2028	0	26	22	,
Target	¥3	100		28% by	0	24	75	
	Y2	100		023 to	-	20	73	-
	Υ			14% in 2	0	18	71	
Target for	5 years	100		index from 1	-	28	62	_
Output	indicators	% of staff sensitized	rand visibility	Strategic Objective 4.8: Improve public awareness index from 14% in 2023 to 28% by 2028	Communi- cation and publicity strategy	Public awareness Index	Brand perception index	Annual Corporate Social Responsi- bility (CSR) reports
		Staff sensitiza- tion on approved policies	areness and b	: Improve pu	Communi- cation and publicity strategy developed	Public awareness survey report	Brand per- ception report	Corporate Social Re- sponsibil- ity (CSR) strategy and policy developed
	70°07	Sensitize staff on reviewed finance and procurement Policies	Outcome: Enhanced awareness and brand visibility	bjective 4.8	Develop the in- tegrated communi- cation and publicity strategy	Implement and review integrated communi-	cation and publicity strategy	Develop a Corporate Social Responsi- bility (CSR) strategy and policy
	strategy		Outcome:	Strategic C	Promote KDIC brand to enhance Awareness			

Responsibility	Support	PO-CC	SO-CC	All Directorates/ Departments	Respective Directorates	Respective Directorates	PO-CC
Respor	Lead	Commit- tee	PO- CC	PO- CC	PO-CC	PO-CC	D. R&E
	75	20	4	2	m	m	4
(uy	¥4	20	4	2	m	m	4
Budget (Mn)	Y3	20	4	7	ĸ	m	4
ā	Y2	20	4	2	м	м	01
	Z,	01	4	2	ĸ	m	,
	75	-		64	-	-	
	Y4	-		62	-	-	
Target	У 3	-1		09	-	-	
	Y2	-		58	-	-	-
	7.	,	-	56	1	-	
Target for	5 years	5	1	64	5	5	1
Output	indicators	Number of CSR reports	Customer service delivery charter	Customer satisfaction index	Number of partner- ships	Document- ed partner- ships	Framework developed
Expected	Output	Annual CSR re- ports	Approved customer service delivery charter	Customer satisfaction	Strategic partner- ships and collabora- tion	Strategic partner- ships and collabora- tion	Frame- work for establish- ing the academy developed
Key Ac-	tivities	Implement and review the CSR policy and strategy	Review and implement a customer service delivery framework	Carry out customer satisfaction survey	Identify and engage strategic partners	Document impact of the part- nerships	Develop a framework for estab- lishment of the Academy
	strategy				Establish local, regional and global partner-ships with	stakehold- ers	Establish a Deposit Insurance Academy

	Key Ac-	Expected	Output	Target for			Target				8	Budget (Mn)	Mn)		Responsibility	sibility
strategy	tivities		indicators	5 years	Y.	72	¥3	74	Y5	Y	72	۲3	Y4	75	Lead	Support
	Develop a curriculum	DI Cur- riculum developed	Approved curriculum developed	1		1				-	2	2	2	7	DD Reso- lution	PO-CC
	Launch the Academy	Academy estab- lished	Academy Iaunched	1											D. R&E	PO-CC
Develop and im- plement deposit insurance literacy	Develop world class Deposit Insurance Literacy Initiatives	Approved deposit insurance literacy initiatives	No. of DI literacy initiatives	1							10	4	4	4	D. R&E	PO-CC
initiatives and roll- out insti- tutions	Implemen- tation of the DI cur- riculum	Approved deposit insurance curriculum	% level of implementation	100		100	100	100	100		2	2	2	2	D. R&E	PO-CC
learning	Develop a platform to host the content	Deposit Insurance platform	Platform developed	1							10	10	01	01	D. R&E	PO-CC

6.1.2 Annual Workplan and Budget

The Corporation's annual workplan and budget for the Financial Year have been formulated in accordance to the Strategic Plan.

6.1.3 Performance Contracting

The Corporation customarily formulates its annual performance contracts in strict accordance with the strategic plan and corresponding costed annual workplans. practice is essential to ensure that our commitments are in harmony with the objectives of this Strategic Plan, facilitating the effective and efficient implementation of our initiatives. The 2023/2024 Performance Contract has been prepared in alignment with the costed annual workplan outlined in section 6.1.2, thereby strengthening our commitment to seamless execution.

6.2 Coordination Framework

6.2.1 Institutional Framework

Αt KDIC. our commitment to maintaining a transparent and well-structured organizational environment is emphasized by a set of rules, policies, and regulations. With a total of 23 policies that have been developed and approved, we are dedicated to foster a culture of integrity and accountability. These



policies cover operational procedures, employee conduct, data security and client interactions. Thirteen (13) SP policies are currently under review for approval. Rules and regulations within our Code of Conduct and KDIC HR Manual serve as an essential reference for all employees, providing clear guidance on expected behaviour, ethical standards, and professional conduct. Our organizational structure is purposefully designed to support the effective implementation of these policies. With clearly defined roles, responsibilities, and reporting lines, every team member is able to efficiently and effectively hence achieving our mandate.

6.2.2 Staff Establishment, Skill **Set and Competence Development**

This involves an evaluation of the existing staffing levels to ascertain the levels required for effective and implementation efficient the Strategic Plan.

The Corporation has an approved staff strength of 158. The approved recruitment number is 110 staff, of which the Corporation has prioritized 48 staff to be recruited in staggered phases, to drive the Strategic Plan 2023 – 2028. The Corporation shall apply a flexible approach in recruiting the prioritized numbers to address its staffing needs as per the requirements of the Strategy 2023-2028.

In ensuring that the optimum staffing levels address the implementation of the Strategy, the Management has strived for a 70% to 30% ratio of Technical to Support staff. More staff have been allocated to core mandate areas. Career progression through cadres has been enhanced as part of succession planning and staff motivation.

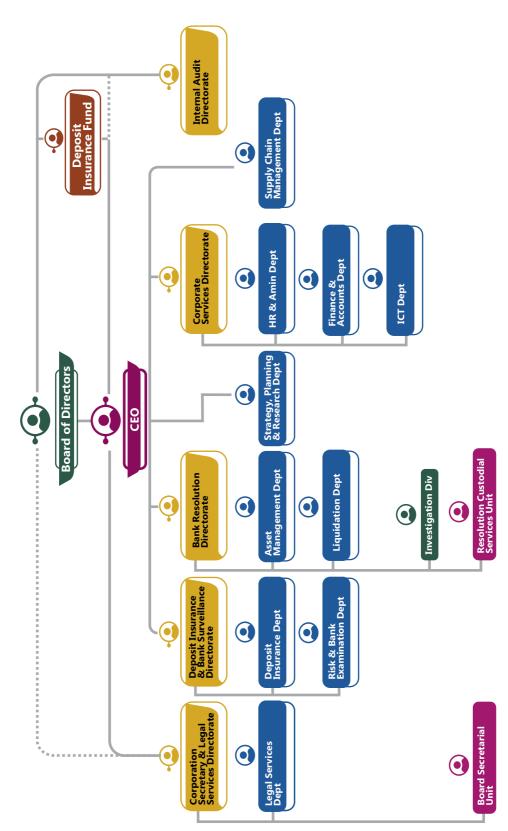


Table 6.2 Kdic Staff Establishment

Designation	KDIC Grade	Approved Establishment	In-post	Variance
Chief Executive Officer	1	1	1	0
Director	2	5	4	1
Deputy Director	3	12	6	6
Assistant Director	4	18	6	12
Principal Officer	5	28	9	19
Officer/Senior	7/6	82	27	55
Principal Driver	8	1	0	1
Profession Assistant	9/8	6	2	4
Driver/Senior	10/9	2	2	0
Principal Office Assistant	10	1	0	1
Office Assistant/Senior Officer Assistant	12/11	2	0	2
Total		158	57	101
Secondment		0	4	
Deployment		0	0	

Table 6.3 Skillset And Competence Development

Cadre	Skillset	Skills Gap	Competence
Chief Executive Officer	 i. Relevant qualification and work experience ii. People management and communication skills; iii. Strategic leadership and management skills iv. Expert on core mandate v. Financial Management skills 	i. Business risk management ii. Effective Implementation of Balance Score Card & KDIC KPI's iii. Building of strategic partnerships with stakeholders	i. Benchmarking on other jurisdictions ii. Participation on cross-sector working groups for the development and formulation of policies iii. Training on technical areas and emerging issues iv. Coaching and mentoring
Deposit Insurance and Bank Surveillance officers /Risk and Bank Examination Officers	 i. Relevant qualification and work experience ii. Analytical Skills iii. Knowledge on core mandate areas of the Corporation and Banking operations iv. Negotiation and Debt Management Skills; 	i. Knowledge on Core principles for effective deposit insurance systems ii. Deposit Insurance, Bank Supervision and Resolutions iii. Bank Resolution Experience (BRE) documentation	i. Formal instructor led Training ii. On the Job Training iii. Participation in cross-sector technical working groups iv. Coaching and mentoring

Cadre	Skillset	Skills Gap	Competence Development
	v. Communication and report writing skills vi. Design of bank surveillance policies and frameworks	iv. Financial Modelling and valuation for deposit insurance v. Data Mining and Analysis	v. Continuous Professional Development (CPD) training
Resolution Officers	 i. Relevant qualification and work experience ii. Risk Analysis and Data Management Skills iii. Knowledge on core mandate areas of the Corporation and Banking operations iv. Negotiation and Debt Management Skills; v. Communication and report writing skills 	 i. Knowledge on Core principles for effective deposit insurance systems ii. Deposit Insurance, Bank Supervision and Resolutions iii. Bank Resolution Experience (BRE) documentation iv. Fundamentals of deposit insurance v. Data Mining and Analysis 	 i. Formal instructor led Training ii. On the Job Training iii. Participation in cross-sector technical working groups iv. Coaching and mentoring v. Continuous Professional Development (CPD) training
Human Resource Officers	 i. Relevant qualification and work experience ii. HR Analytics and Metrics iii. Talent attraction, acquisition and retention iv. Communication and report writing skills v. Knowledge on core mandate areas of the Corporation 	i. Emerging issues in HR & Administration management ii. Performance management and productivity iii. Knowledge on core mandate areas of the Corporation iv. HR Analytics and Metrics	i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training v. Benchmarking
Administration officers/ Office Support officers/ Drivers	 i. Relevant qualification and work experience ii. Contract Management Skills iii. Communication and report writing skills v. Knowledge on core mandate areas of the Corporation 	i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Effective Communication and Customer care iii. Use of modern ICT tools and applications	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous refresher training for drivers
Record Management Officers	 i. Relevant qualification and work experience ii. Automation and digitization of records iii. Communication and report writing skills iv. Knowledge on core mandate areas of the Corporation 	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Automation and digitization of records management 	i. Formal instructor led Training ii. On the Job Training iii. working groups iv. Coaching and mentoring

Cadre	Skillset	Skills Gap	Competence Development
Finance Officers	 i. Relevant qualification and work experience ii. Automation, digitization and ERP Management iii. Communication and report writing skills iv. Knowledge on core mandate areas of the Corporation v. Public Financial Management 	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Skills in navigating emerging changes in legislation and accounting standards 	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Management of Information Systems officers	i. Relevant qualification and work experience ii. Automation and digitization of systems (ERP, EDRMS, EDW) iii. Communication skills iv. Knowledge on core mandate areas of the Corporation	i. Emerging Innovations and ICT solutions ii. ISMS. iii. Data protection	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Strategy & Planning officers	 i. Relevant qualification and work experience ii. Communication and report writing skills iii. Analytical skills iv. Business risk management and Compliance 	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Business risk management and Compliance iii. Monitoring, Evaluation and Business performance reporting. 	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Research and Innovations Officers	 i. Relevant qualification and work experience ii. Communication and report writing skills iii. Analytical skills iv. Business risk management and Compliance v. Understanding of Core mandate 	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Business risk management and Compliance iii. Monitoring, Evaluation and Business performance reporting. 	i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training

Cadre	Skillset	Skills Gap	Competence Development
Corporate Communication officers	 i. Relevant qualification and work experience ii. Media/journalisms skills iii. Communication, negotiation and ability to influence 	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Media relations skills iii. Monitoring, Evaluation and reporting of engagement interventions 	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Supply Chain Management Officers	i. Relevant qualification and work experience ii. Negotiation and Communication Skills iii. Contract and Tender management skills iv. Report writing skills v. E-procurement and supply management skills skills	 i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Management of automated business processes iii. Monitoring, Evaluation and reporting sustainable supply chain management 	 i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Legal Officers	 i. Relevant qualification and work experience ii. Negotiation and Communication Skills iii. Management of meetings and report writing iv. Proficiency in computer applications v. Understanding of legal framework supporting deposit insurance vi. Knowledge in Corporate Governance procedures 	i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Preparation of Board Papers and minutes iii. Arbitration procedures iv. Negotiations and Conflict resolution v. Legal Audit and Risk management	i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training
Internal audit Officers	Relevant qualification and work experience Business Risk Management and Compliance II systems audit management	i. Basic skills in the mandate area (Bank examinations, resolutions and deposit insurance) ii. Preparation of Board Papers and minutes iii. Auditing information systems	i. Formal instructor led Training ii. On the Job Training iii. Coaching and mentoring iv. Continuous Professional Development (CPD) training

6.2.3 Leadership



The successful implementation of this strategic plan is greatly pegged on the leadership and management organs within the Corporation. The leadership structure for strategic plan implementation will provide the necessary framework in the execution of strategic activities.

6.2.4 Systems and Procedures

Systems and procedures play a crucial role in supporting the implementation of a strategic plan within the Corporation. They provide structure, consistency, and a systematic approach to achieving the goals outlined in the strategic plan.

Performance management is a structured process that involves setting clear goals, measuring progress, providing feedback, and making

necessary adjustments. It ensures that individual and team efforts align with the overall strategic objectives of the Corporation. By having a robust performance management system in place, the organization can track how well employees are contributing to the strategic goals and make any necessary course corrections in real-time. This helps in ensuring that the execution of the strategic plan stays on track.

ISO 9001:2015 is an international standard for quality management systems. It provides a framework for organizations to establish effective quality management practices. By implementing ISO 9001:2015 procedures, an organization ensures that its processes are well-documented, consistently followed, and regularly reviewed for effectiveness. This level of control enhances the Corporation's ability to meet customer requirements,

minimize errors, and continually improve its operations, all of which are essential components of successful strategic implementation.

The Corporation is also implementing the digitization of its services steered by a committee. When implementing services or projects, involving a committee can bring diverse expertise and perspectives to the decisionmaking process. Committees ensure thorough planning, assessment, and resource allocation. This collaborative approach enhances the likelihood of successful project execution aligned with the strategic plan. Committees also serve as a mechanism for accountability, members can monitor progress, identify bottlenecks, and recommend adjustments as needed.

Standard Operating Procedures (SOPs) are detailed documents that outline step-by-step instructions for performing specific tasks or processes within the Corporation. SOPs

promote consistency, minimize errors, and enable efficient execution of routine activities. The procedures are aligned with the goals of the strategic plan, hence facilitating the integration of strategic objectives into day-to-day operations. This alignment ensures that operational activities directly contribute to the broader strategic goals.

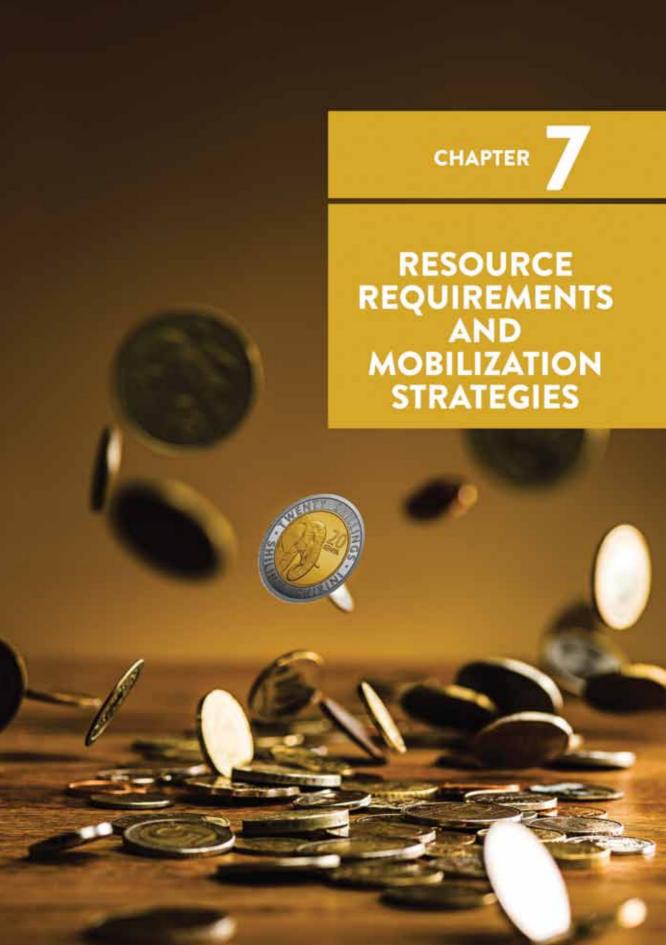
6.3 Risk Management Framework

KDIC has developed an Enterprise Risk Management (ERM) and Busine Continuity Management System **ERM** (BCMS) Framework. The framework allows us to proactively identify and mitigate risks that could impact our operations, reputation, and stakeholder relationships. The BCMS framework ensures that we maintain uninterrupted operations in the face of unexpected disruptions. Using the BCMS framework, we've developed strategies, protocols, and recovery plans that guarantee the continuity of our critical business functions.

Table 6.4 Risk Management Framework

S/ No.	Risks	Risk Likelihood (L/M/H)	Severity (L/M/H)	Overall risk level (L/M/H)	Mitigation measure(s)
1.	Target Fund risk	Moderate	Major	High	Robust investment strategies geared towards higher returns
2.	Strategic Implementation risk	Likely	Major	High	Lobbying the National Treasury to allocate sufficient resource that aligns with the budget estimates in the approved Strategic plan.

S/ No.	Risks	Risk Likelihood (L/M/H)	Severity (L/M/H)	Overall risk level (L/M/H)	Mitigation measure(s)
3.	Technology (Bank Digital product) risk	Likely	Major	High	Research on migration from traditional Banking to digital bank
4.	Misappropriation of resources	Moderate	High	Low	Internal controls and corporate planning
5.	Litigation risks	Moderate	Major	High	 Adoption of alternative dispute resolution mechanisms. Collaboration and partnerships with key stakeholders
6.	Risk of poor publicity	Moderate	Medium	Medium	Public awareness campaignsComplaints handling mechanism
7.	Brand erosion risk	Likely	Low	Medium	Aggressive promotion of KDIC brand
8.	Inadequate support from partner stakeholders' risks	Moderate	Major	High	Strategic collaborations and partnerships (MOUs) Establish the crisis management working group
9.	Cyber security risks	Likely	Major	High	Implementation and maintenance of ISMS
10.	Non conformity risks	Likely	Medium	Medium	Continuous compliance assessments and continual improvement
11.	Data management risks	Moderate	Major	Low	Capacity building
12.	Compliance and enforcement risks	Moderate	Low	Medium	Conduct regulatory impact assessment and implement recommendations
13.	Bank failure risk	Moderate	Major	Medium	Development of a data driven risk management framework
14.	Talent management risk	Likely	Major	Low	Alignment of HR instruments and structure to strategy
15.	Corporate culture risks	Moderate	Medium	High	Implementation of recommendations of the culture survey
16.	Performance and productivity risks	Medium	Medium	Medium	Undertake and implement recommendations of the morale survey



7.1 Financial Requirements

This section details the projected financial requirements for the implementation of the strategic plan for all the key result areas

Table 7.1 Financial Requirements For Implementing The Strategic Plan

		Pre	Projected Resource Requirements (KSh.M)	ce Requiremen	its (KSh.M)			
Cost Item	Objective	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Total	% of Total
Deposit Insurance	Prudent Management of the Deposit Insurance Fund		2.5	1	7.5		11	0.50%
	Enhance depositor protection and compensation		4.5	5.5	0		10	0.46%
	Sub Total	•	2	6.5	7.5	•	21	%96.0
Risk Minimization	Enhance risk minimization	•	1	6	25		35	1.6%
	To strengthen the regulatory framework	2	9	12	2	2	24	1.09%
	Strengthen early intervention systems framework		,	70	37	7	44	2.01%
	To improve crisis management framework		09	09	4.5	3	127.5	5.82%
	Sub Total	2	99	98	68.5	7	229.5	10.47%
Resolution of problem banks	Reduce the amount owed by debtors in financial institutions in Liquidation	6.5	61	10	ω	∞	42.5	1.94%

Cost Item	Objective	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	Total	% of Total
	Improve the Crisis management framework.	14	38	32.5	30.5	26.5	136.5	6.23%
	Improve the regulatory framework	5	27	12	12	12	68	3.10%
	Establish and enhance strategic collaboration and partnership with relevant stakeholders.	4	19	19	19	61	20	%16:0
	Sub Total	37	106	96.5	98.5	82.5	420.5	19.18%
	To attract, acquire and retain talent	62	92	98	98	98	412	18.8%
Institutional Capacity Development	Build a Vibrant & Cohesive Organizational Culture	12.5	13.5	14.5	15.5	16.5	72.5	3.31%
	To strengthen Employee Morale and Motivation	3.5	8.5	8.5	9.5	9.5	39.5	1.80%
	To institutionalize Performance Management & Staff productivity	18	40	23	23	28	132	6.02%
	To automate processes and digitize records	08	29.6	17.5	09	14	182.5	8.33%
	Standardize Processes	-	13	9	7	ĸ	39	1.78%

Cost Item	Objective	2023/2024	2024/2025	2025/2026	2026/2027	2023/2024 2024/2025 2025/2026 2026/2027 2027/2028	Total	% of Total
	Enhance prudence in the utilization of resources	12	16.15	15.7	15.7	15.7	58.3	2.66%
	Improve public awareness index from 14% to 28% by 2028	56	148	126	136	96	537	24.50%
	Sub Total	239.5	360.75	297.2	352.7	270.7	1472.8	67.19%
	Strategy Total	278.5	539.75	486.2	527.2	360.2	2191.85	%00L
	Administrative Cost	765.6	1134.8	1143.01	1200.1	1260.2	5,504	
	Grand Total	1044.1	1674.55	1629.2	1727.3	1620.4	7695.55	

Table 7.2 Resource Gaps Table

Financial Year	Estimated Financial Requirements (KSh. M)	Estimated Allocation (KSh. M)	Variance (KSh. M)
2023/2024	1,044	1,044	
2024/2025	1,675	1,675	
2025/2026	1,629	1,629	
2026/2027	1,727	1,727	
2028/2028	1,620	1,620	
Total	7,696	7,696	•

7.2 Resource Mobilization Strategies

The Corporation funding is based on the appropriated fund income subject to approval by The National Treasury and Economic Planning. The average funding requirement is approximately 6% of the fund income. While KDIC does not have any resource gaps, there exists a unique challenge where the budget is rationalized, even when we're significantly beneath the capping level of 30%.

7.3 Resource Management

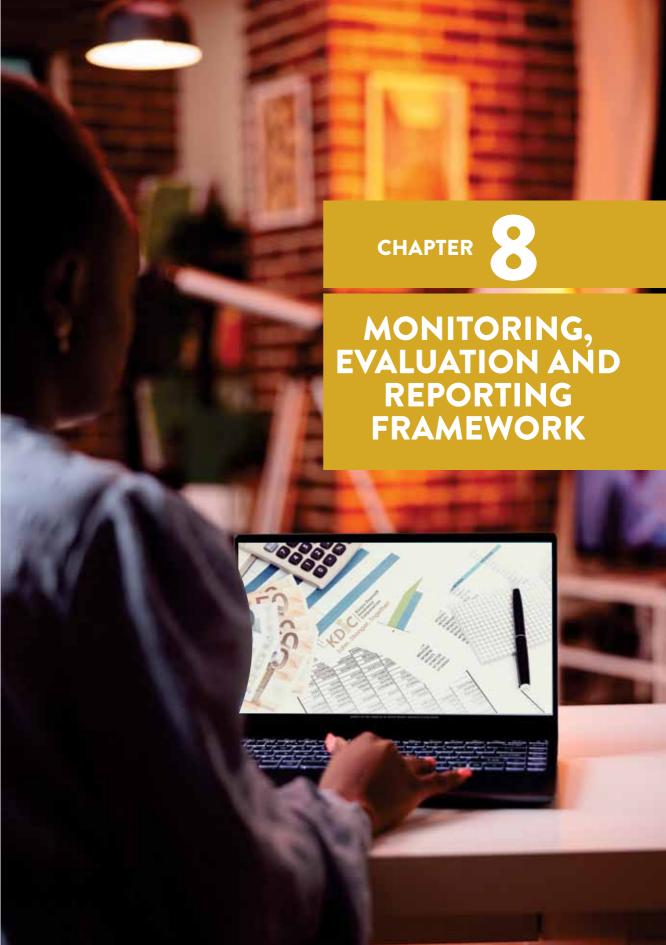
BETA is geared towards economic

turnaround through a value chain approach. BETA has targeted sectors with the most impact to drive economic recovery to be achieved through six objectives: bringing down the cost of living; eradicating hunger; creating jobs; expanding the tax base; improving foreign exchange balances; and inclusive growth.

In addition, BETA will ensure rational resource allocation by eliminating wastage of resources occasioned fragmentation bγ duplication, and ineffective coordination implementation of programs projects. KDIC taps into this through it strategic themes and as objectives as shown below:

Theme	Linkage with BeTA	Impact on Resource Mobilization
Deposit Insurance	The bottom-up economic model is committed to creating a financial system that encourages the growth of MSMEs. By building and strengthening the financial system, the MSMEs are able	A stable financial system allows for the sustainable growth of microfinance which can be accessed by MSMEs at an affordable rate which can be invested in the business. This creates inclusive growth for all as envisioned in the BeTA model.
Resolution of problem banks	to access credit to grow their businesses.	
Risk Minimization	Improved digital connectivity allows for the Corporation to utilize highspeed data collection and analysis through the Electronic Data Warehouse (EDW) to drive timely risk management for the member institutions and the larger financial services sector.	Access to affordable and accessible high-speed internet will allow The Corporation to efficiently utilize the financial resources invested in the implementation of risk-based supervision.

Theme	Linkage with BeTA	Impact on Resource Mobilization
Institutional Capacity Development	BETA will ensure rational resource allocation by eliminating wastage of resources occasioned by duplication, fragmentation and ineffective coordination in implementation of programs and projects. The bottom-up economic transformation plan seeks to leverage the digital superhighway to enhance access to high-speed, accessible and affordable internet services as an enabler of delivering other commitments. BETA will ensure rational resource allocation by eliminating wastage of resources occasioned by duplication, fragmentation and ineffective coordination in implementation of programs and projects.	Through digitization and automation, the Corporation will be able to effectively and efficiently utilize its resources and offer cost effective solutions to depositors, customers and suppliers. Efficient processes will allow the Corporation to offer timely settlement of claims for depositors and suppliers which will unlock capital for investment. This coupled with the engagement of local service providers, will help in supporting the local manufacturing industry which is a pillar of the model By building a high-performance culture through capacity building initiatives, The Corporation will ensure an alignment in the implementation in programs and projects to ensure successful completion.



This chapter covers the systematic approach employed by KDIC to monitor its activities, evaluate their effectiveness, and report on their achievements. A monitoring, evaluation, learning (MEL) framework has been prepared as detailed in this chapter.



8.1 Monitoring Framework

The Corporation will develop a monitoring framework that will provide the means of determining the implementation of the strategic plan is on-track and establish the need for any adjustment. This will involve routine data collection and analysis on the progress of the strategic plan implementation. The results of the analysis shall then be used to inform decision-making, including taking corrective action where deviations in implementation are noted.

The Corporation shall establish a "Strategy Execution and Coordination Committee" (SECC) to ensure that the objectives of this strategic plan are religiously pursued. The Committee will thus steer the execution of the various tactics and initiatives, and as well measure, track and manage progress.

The SECC will be made up of the top KDIC leadership – including the CEO and the five departmental directors – plus the mid-level managers representing the various functional units.

The team will champion the implementation of the strategic plan at both corporate and departmental levels. They will in so doing coordinate the development and implementation of annual departmental plans, ensuring that these are aligned with this strategic plan.

The SECC will break down the strategic plan into key sectional objectives, targets, and initiatives, and connect these to individual performance requirements and reward systems. This cascading will ensure that all staff are aligned both directly and indirectly to the overall organisational objectives.

The committee will hold monthly strategy meetings chaired by the Chief Executive Officer, who will in turn prepare and submit quarterly reports to the Board of Directors for feedback and to inform any necessary shifts in policy.

In brief, the responsibilities of the SECC will include the following:

- Co-ordinate action programmes of the strategic plan at corporate, functional and departmental levels.
- Promote inter-departmental linkages.
- Create and operationalise subcommittees where and when necessary.
- Monitor implementation of this strategic plan at corporate as well as departmental levels.
- Prepare strategy implementation progress reports.
- Evaluate impact of the strategy at corporate and departmental levels.
- Carry out any other duty that would facilitate effective implementation of this strategic plan.

For greater effectiveness and smoother coordination of activities, the SECC will be split into smaller teams with specific duties as follows:

Team	Role	Membership	Tasks	Time Commitment
LEADERSHIP	This team will lead the strategy execution process, and provide resources and oversight support.	 KDIC CEO Director of Corporate Services Deputy Director of Communication and International Affairs Director of Resolutions & Director of Legal Affairs. Director of Deposit Insurance and Bank Surveillance Deputy Director Human Resource and Administration 	1. Champion strategy implementation and make strategic decisions in line with our five strategic Key Result Areas. 2. Participate fully and openly in strategy workshops/meetings and provide oversight. 3. Provide resources and oversee the work of the Core and Measurement teams.	1. Full participation in monthly strategy meetings 2. Participation of follow-up meetings as necessary.
CORE TEAM	This team will be responsible for the day-to-day implementation of this strategic plan. They will be officers selected to follow up on the strategic objectives and see to it that the tactics are being implemented. This team will work in close coordination with the 5 Key Result Area leaders.	Experienced mid- level managers. Representation from each KDIC functional unit.	1. Lead the operational execution of this strategic plan. 2. Create the strategy map. 3. Develop a strategy implementation plan. 4. Lead the Measurement Team.	Team leader - At least 50% of time, with significantly more than this in the first 24 weeks of the implementation of this strategic plan. Team member - 20-50% of their time, with higher levels of time within this range spent in the first 24 weeks of the implementation of this plan.

Team	Role	Membership	Tasks	Time Commitment
MEASURE- MENT TEAM	This team will provide the necessary analytics support in relation to the execution of this strategic plan. Their work will entail generation of necessary data and feedback for use by the Core Team and subsequently the Leadership Team.	Identify data sources for measures. Develop clear definitions of measures and targets for each strategic objective.	Member of Core Team to lead Measurement Team. Line experts, at least one from each KDIC functional unit.	20–40% of their time, with more time within this range being spent in the first 24 weeks of the implementation of this strategic plan.

8.2 Performance Standards

KDIC's monitoring and evaluation framework that will be utilised to assess the performance has aligned its strategic objectives and activities with the identified needs and priorities of the target customers. Performance of these KRAs is tracked using a performance management tracker which tracks implementation of the annual work plan and the annual budget. The annual work plan and annual budget are the tools that track the implementation of the Strategic Plan.

8.3 Evaluation Framework

The Corporation has clear basis for assessing the level and extent of achievement of its objectives towards attainment of the strategic goals along

respective KRAs. The evaluation of set outcome indicators will be done against the baseline and targets during the mid-term and end term review of the Strategic Plan.

A Mid Term evaluation and an End Term Evaluation is to be conducted by the Strategy Execution and Coordination Committee (SECC). This will be done in line with the National Treasury guidelines. The three teams in The SECC will hold monthly meetings to discuss and review the activities highlighted in the Strategic Plan. They will thereafter converge to deliberate and generate the month's report.

Table 8.1 Outcome Performance Matrix

			Basel	line	Ta	rget
Key Result Area	Outcome	Outcome Indicator	Value (Y1)	Year	Mid- Term Period (Y3)	End- Term Period (Y5)
Deposit Insurance	Growth of fund	Level of implementation of Reviewed risk based premium model (%)	-	2023/24		
	Growth of Investment Income	Optimal Return on Investment (%)	10	2023/24		
	Budget utilization	Level of implementation of Budget Capping Policy (%)	-	2023/24		
	Enhanced depositor protection and compensation	Level of implementation of Single Customer View (%)	-	2023/24		
		Level of implementation of proposed coverage limit (%)	100	2023/24		
Risk Minimization	Risk minimization enhanced	% Level of implementation of the Data Management and Analytics Strategy	-	2023/24		
		% of Members profiled	100	2023/24		
		% Level of implementation of the Reviewed DPS Model	-	2023/24		
	Regulatory framework strengthened	% Level of Compliance (IADI Core Principles)	87.5	2023/24		
	Early intervention systems framework strengthened	% Level of implementation of Resolution Fund Framework	-	2023/24		
	Crisis management framework improved	% Level implementation of Crisis Management Framework	-	2023/24		

			Basel	line	Ta	rget
Key Result Area	Outcome	Outcome Indicator	Value (Y1)	Year	Mid- Term Period (Y3)	End- Term Period (Y5)
Resolution of Problem	Increased rate of debt recovery	Amount of debts collected in billion	0.85B	2023/24		
Banks BANK HHH		Number of strategic partnerships established to support debt realization	1	2023/24		
	Wound up institutions	Number of targeted wound-up institutions	-	2023/24		
	Developed Crisis management framework	Number of capacity building and trainings undertaken	1	2023/24		
		Number of partnerships established	-	2023/24		
	Regulatory framework reviewed and enhanced.	Number of Stakeholder engagement forums	2	2023/24		
	Strengthened collaboration	Number of strategic partners sensitized	2	2023/24		
	and partnership in resolving problem banks.	Number of MOUs signed	-	2023/24		
Institutional Capacity	Optimum Staff establishment	No. of staff recruited	20	2023/24		
Development	establishment	Staff Retention Rate (%)	95	2023/24		
		Level of Succession Planning Framework implementation (%)	-	2023/24		
	Vibrant organizational culture	Culture entropy index (%)	37	2023/24		
		Corporate Culture exit survey Index (%)	81	2023/24		
	Motivated workforce	Employee Satisfaction Index (%)	75	2023/24		
	Improved corporate	Staff Productivity index (%)	65	2023/24		
	performance and staff productivity	Engagement index (%)	55	2023/24		
		Corporate Performance index (%)	95.87	2023/24		

			Basel	ine	Ta	rget
Key Result Area	Outcome	Outcome Indicator	Value (Y1)	Year	Mid- Term Period (Y3)	End- Term Period (Y5)
	Automated processes and	% Level of EDRMS systems integration	-	2023/24		
	digitized records	% of Processes within functions automated/ digitized	40	2023/24		
	Standardized processes	% level of implementation of identified relevant standards	100	2023/24		
	Prudent & accountable	Annual budgets	1	2023/24		
	utilization of resources	Audited and published annual reports and financial statements	1	2023/24		
	Increased public awareness index	Public Awareness Index (%)	18	2023/24		
	from 14% in 2023 to 28% in 2028	Corporate Brand Perception Index (%)	69	2023/24		

8.3.1 Midterm Evaluation

The mid-term evaluation of the strategic plan will be done in year 3 of implementation of the strategic plan focusing on the set outcome indicators as measured against the baseline and targets are on target and/or the areas that may require improvement.

Feedback will be used to incorporate changes in the objectives, strategies, activities among others based on new information. Mid-term evaluation will entail data collection, data analysis, preparation and presentation of reports. The recommendations from the mid-term evaluation will be implemented in the remaining period of the Strategic Plan.

8.3.2 End Term Evaluation

End term evaluation of the strategic plan will be done in year 5 of implementation of the strategic plan to take stock of the milestones achieved and to offer an opportunity for incorporating lessons learnt during the implementation period when developing the 2029-2033 strategic plan. End-term evaluation entail data collection. analysis, preparation and presentation of reports, and drafting of the management response

8.4 Reporting Framework and Feedback Mechanism

review by the Board of Directors for necessary approvals and feedback. These reports will be in line with the National Monthly reports made by the SECC will be delivered to the CEO's office for generation of quarterly strategy reports for Treasury's guidelines.

Table 8.2 Quarterly Progress Reporting Template

QUARTERLY PROGRESS REPORT QUARTER ENDING Kenya Deposit Insurance Corporation (KDIC)

Corrective	intervention		
	Nemarks		
Date	Target Actual Variance (E) (F.E)		
Cumulative to Date	Actual (F)		
Cul	Target (E)		
Jr	Variance (C-B)		
Quarter for the year	Target Actual Variance (B) (C)		
Quarte	Target (B)		
Annual Target	Target (A)		
Output	Indicator		
Expected	output		

Table 8.3 Evaluation Reporting Template

		Outcome	Baseline		Midtern	Midterm evaluation End of plan Period	End of	plan Period	Corrective
Key Kesuit Area	Оптсоше	Indicator	Value	Year	Target	Achievement	Target	Indicator Value Year Target Achievement Target Achievement	Kemarks intervention
Deposit Insurance									
Risk Minimization									
Resolution of problem banks									
Institutional Capacity Development									

ANNEX I: KDIC STRATEGY MAP

identified objectives connect and relate, and explore the steps they need to take to realize the identified objectives. Strategy A strategy map is a visualization tool that helps the Corporation see the main goals/Key Result Areas, understand how the maps help stakeholders see cause-and-effect connections between different strategic objectives.

	LINANCIAL SI EWARDSHIP	EWARDSHIP		
0)))	Enhance depositor protection and compensation	Prudent Management of Deposit Insurance Fund	Reduce the amount owed by debtors in ce Financial Institutions in Liquidation	Enhance prudence in the utilization of resources
	CITIZEN'S DELIVERY	IVERY		
	Establish and enhance Strategic collaboration and partnership with relevant Stakeholder	nce tion th er	Improve public awareness index from 14% to 28% by 2028	Wind Up Financial Institutions in Liquidation
	INTERNAL OPERATIONS	ERATIONS		
JK)	To automate Processes and Digitize Records	ize	Enhance Risk Minimization	Standardize Processes
	INSTITUTIONAL CAPACITY	L CAPACITY		
	Strengthen the regulatory framework	Strengthen Early Intervention Systems Framework	Improve crisis Management Framework	Attract, acquire and Retain Talent
	Strengthen employee Morale and Motivation	Institutionalize Performance Management and Staff Productivity	Improve the regulatory framework to strengthen resolution of problem banks	Build a vibrant and cohesive organizational culture



KDIC STRATEGY HOUSE





