REPUBLIC OF KENYA

KDIC Kenya Deposit Insurance Corporation

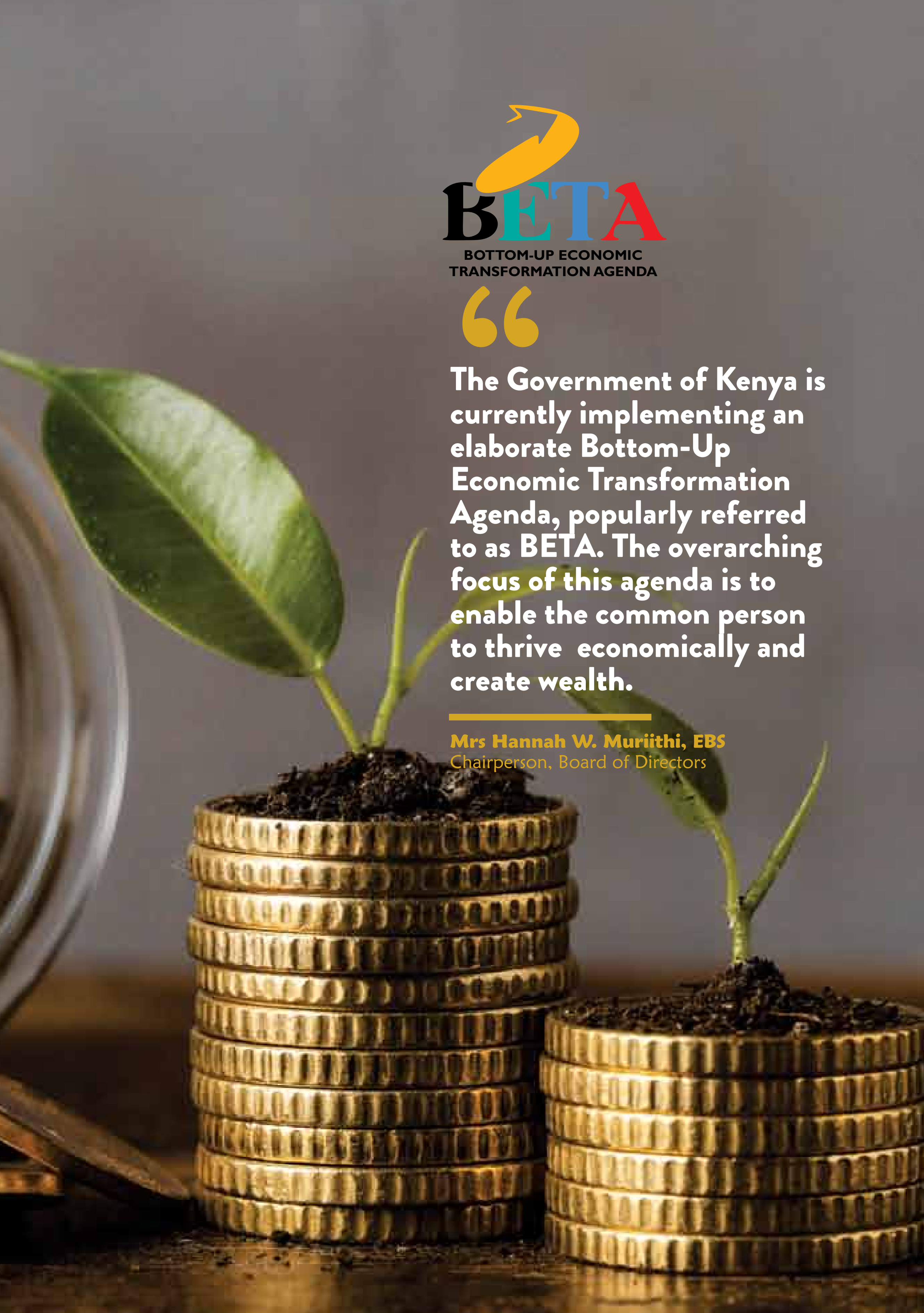
Safer, Stronger, Together

STRATEGIC PLAN

2023 - 2028

KENYA VISION 2030

BETA
BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA



BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA

The 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.

Mrs Hannah W. Muriithi, EBS
Chairperson, Board of Directors

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

All enquiries about this Plan should be directed to:

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Safer, Stronger, Together

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"The plan is designed to catapult the Corporation towards the vision of becoming a reliable, effective deposit insurer and resolution authority.

Mrs. Hellen Chepkwony
Chief Executive Officer

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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: **C**apital adequacy, **A**sset quality, **M**anagement quality, **E**arnings, **L**iquidity, and **S**ensitivity 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

The 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

“ 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.

Mrs Hannah W. Muriithi, EBS
Chairperson, Board of Directors
Kenya Deposit Insurance Corporation

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.

Signature

Mrs Hannah W. Muriithi, EBS
Chairperson, Board of Directors
Kenya Deposit Insurance Corporation

PREFACE AND ACKOWLEDGEMENT

I 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:

> **"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.

Signature

Mrs. Hellen Chepkwony

Chief Executive Officer

EXECUTIVE SUMMARY

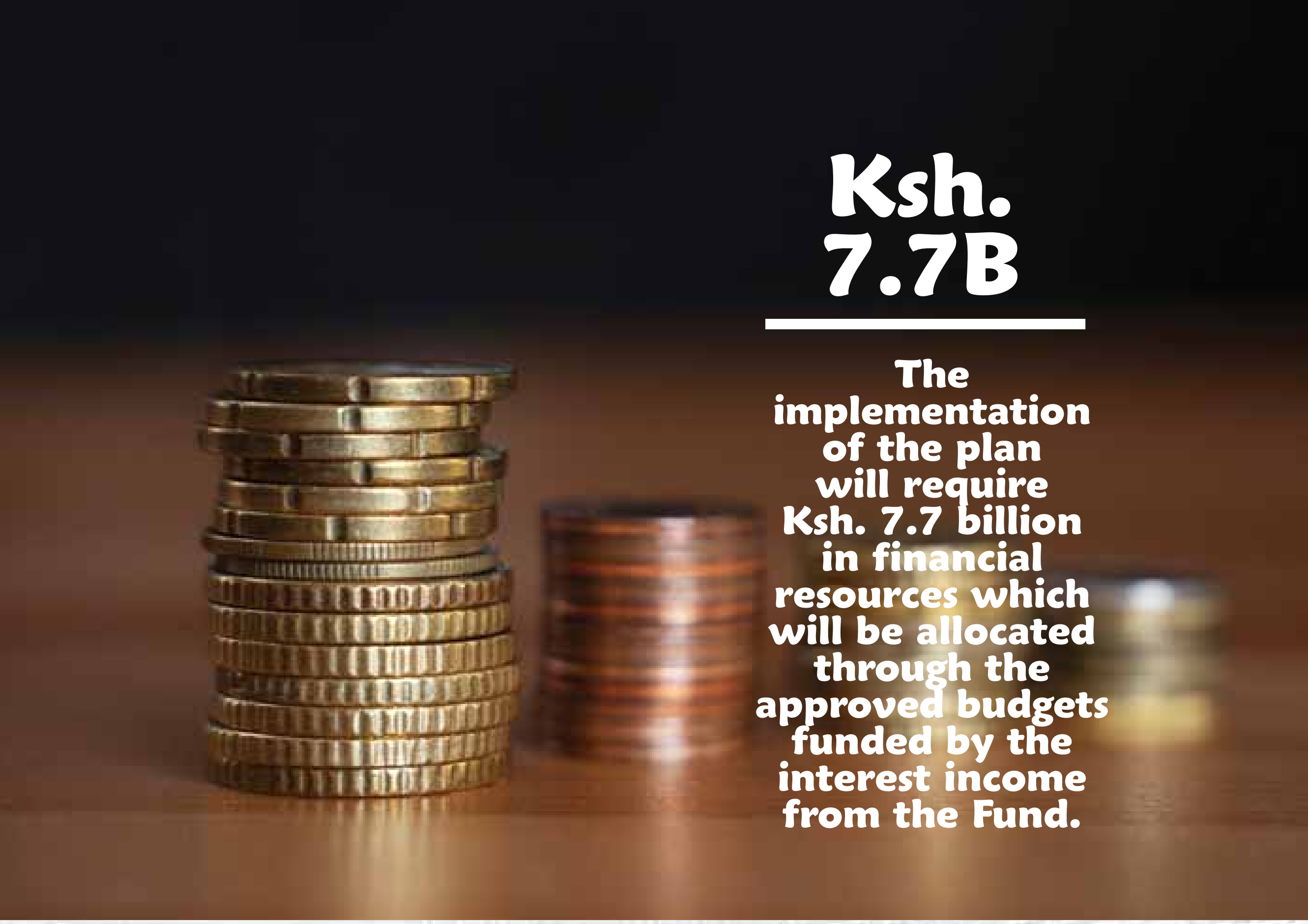
The Kenya Deposit Insurance Corporation (KDIC), is a statutory institution mandated to provide a deposit insurance scheme for customers of member financial institutions, and to participate in ensuring stability in the country's financial sector.

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 a 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;



and Institutional Capacity Development.

Additionally, the Corporation developed an implementation and coordination framework which describes the operationalization of the Plan. 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, CBS
Board Member

Prof. Njuguna Ndung'u, CBS
Board Member

Mr. Justine Muturi, CBS
Board Member

Dr. Habil Olaka, CBS
Board Member

Ms. Melissa Ng'ania
Board Member

Mr. James Akali
Board Member

Mr. Joseph Ng'etich
Board Member

Ms. Anne Lengerded
Board Member

Mrs. Hellen Chepkwony
CEO


OUR MANDATE
01
Deposit insurance scheme for customers of member institutions.
02
Provide incentives for sound risk Management
03
Promote the stability of the financial system
04
Prompt Resolution

CHAPTER 1

INTRODUCTION

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 areas, identified strategic objectives and choices.

> **"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.**

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 transparent communication with 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 international agreements	**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. **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 socio-economic 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

KENYAN CONSTITUTION

BETA
BOTTOM-UP ECONOMIC TRANSFORMATION AGENDA

KENYA VISION 2030

Agenda 2063
The Africa we Want

EAC VISION 2050

IADI
INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS

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 sector, which is a fundamental requirement for sustained economic growth, infrastructure development, and 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 2030, the Bottom-Up Economic 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 for 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, as they aim to enhance the resilience of the financial sector and promote confidence among depositors.

1.3 History of the Corporation

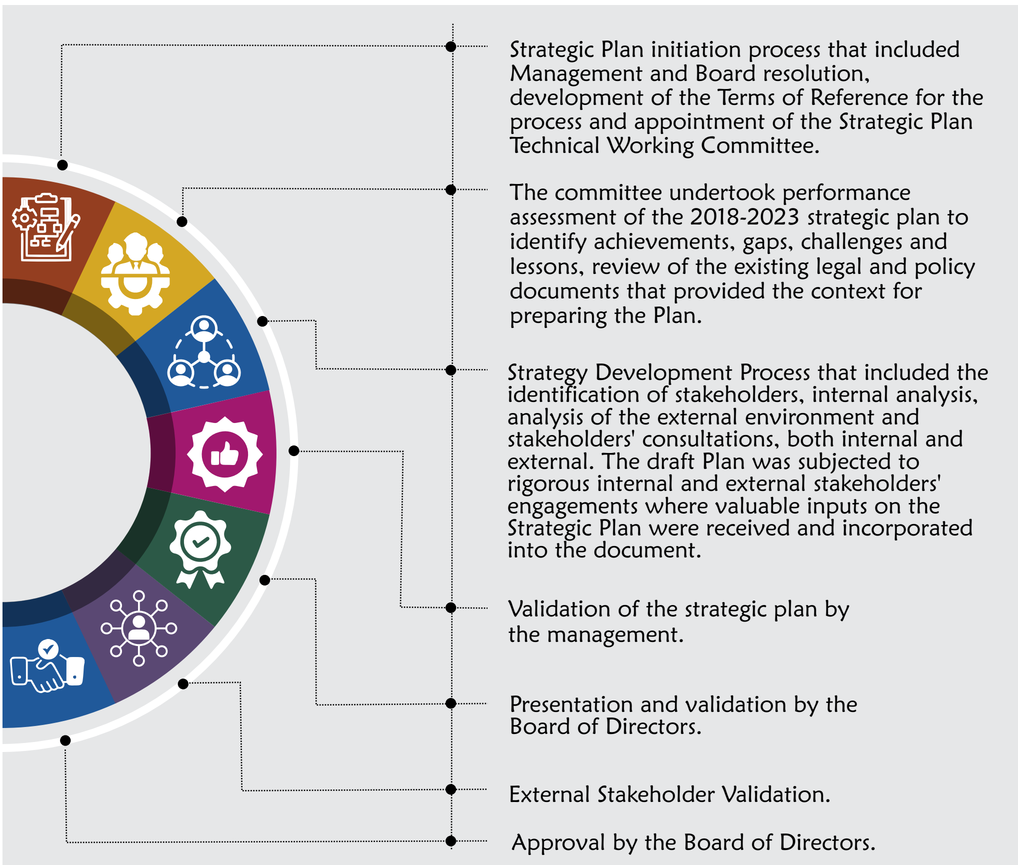
KDIC is a state corporation established by the KDI Act of 2012 under The National Treasury and Economic Planning. The Deposit Protection Framework in Kenya's rich legacy spans over 37 years. In 1986, the Deposit Protection Fund Board (DPFB) was established under the Banking Act, CAP 488 Laws of Kenya. 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 pay-box 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: -



37 YEAR JOURNEY

1985

kSHS, 300 M seed Capital

Establishment of the DPFB under the Banking Act Cap 488

1989

DPFB commences operations

2012

KDI ACT 2012 enacted

2014

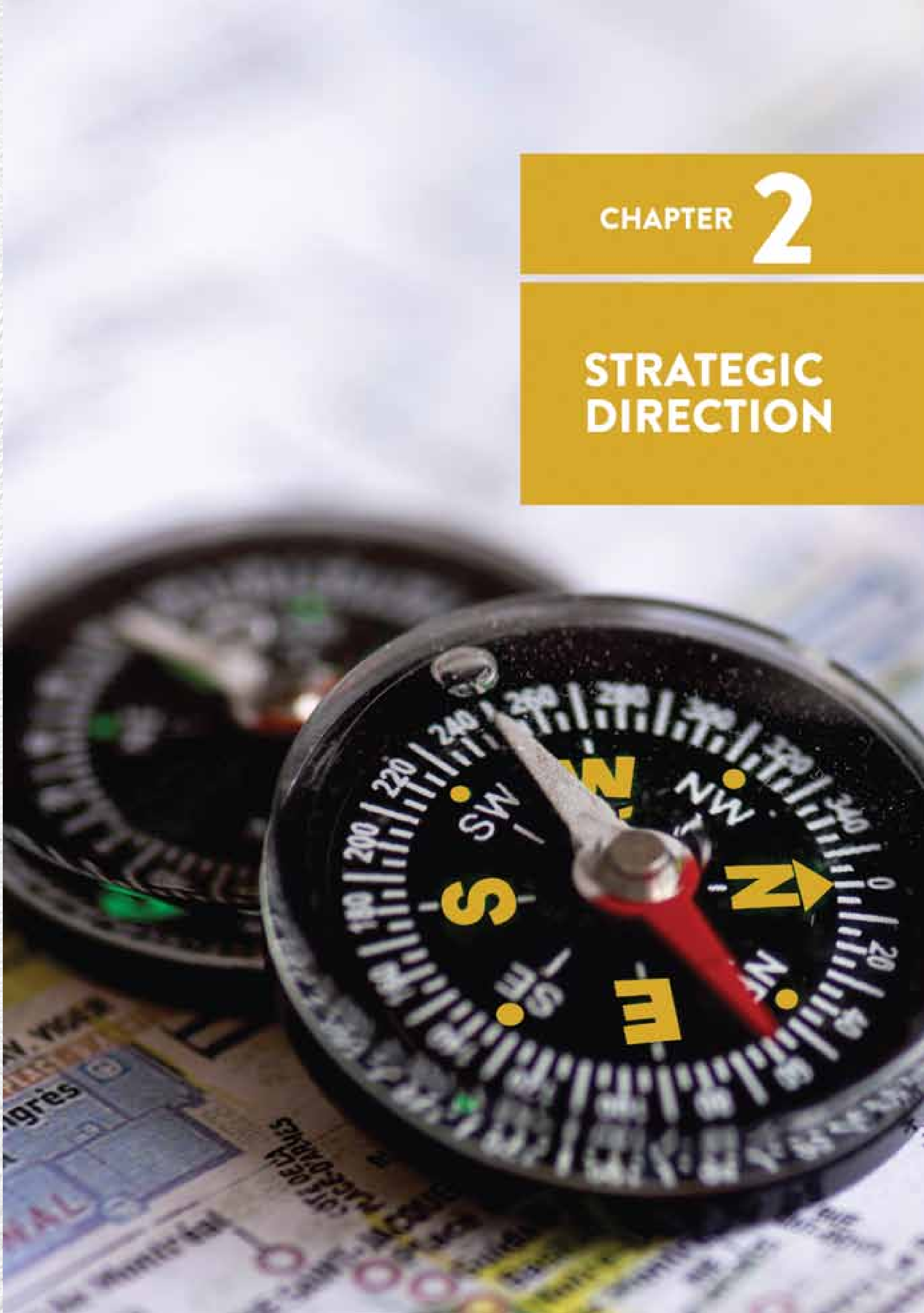
(KDIC) commences operations

2016

KDIC recognized as best Deposit Insurer in the World by IADI

2019

Launch of the Differential Premium System(DPS)



CHAPTER 2

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.

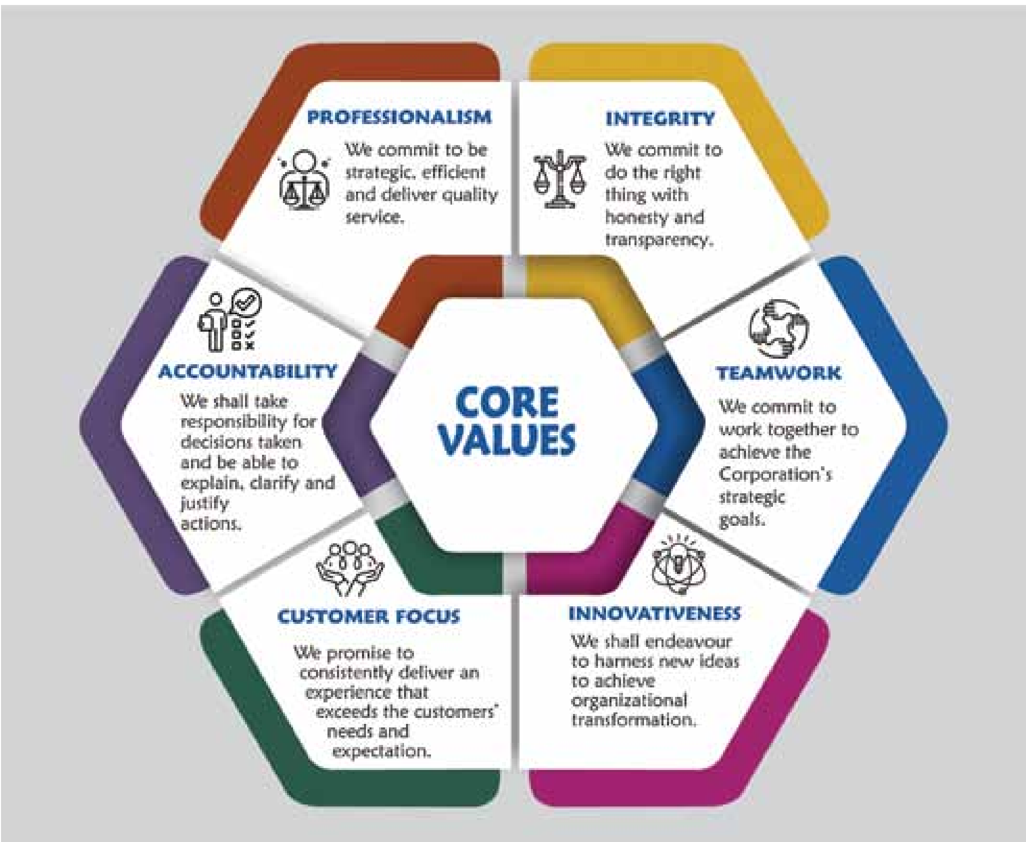
2.4 Strategic Goals

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



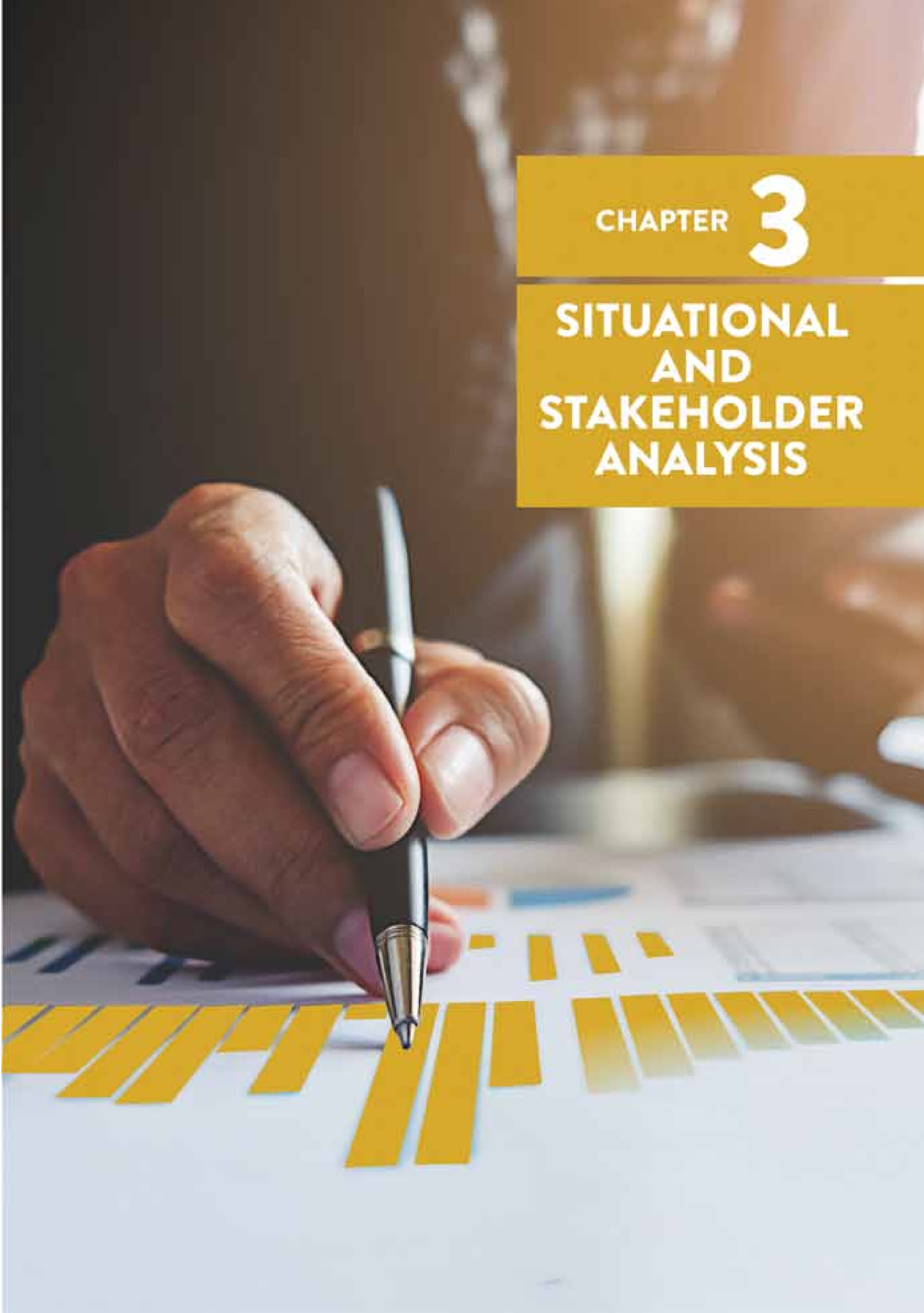
2.6 Quality Policy Statement

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:

CHAPTER 3

SITUATIONAL AND STAKEHOLDER ANALYSIS



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.

The implementation 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 and 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 by public awareness survey results, the awareness of KDIC's role in protecting insured deposits remains low among the general public. This emphasizes the need for 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

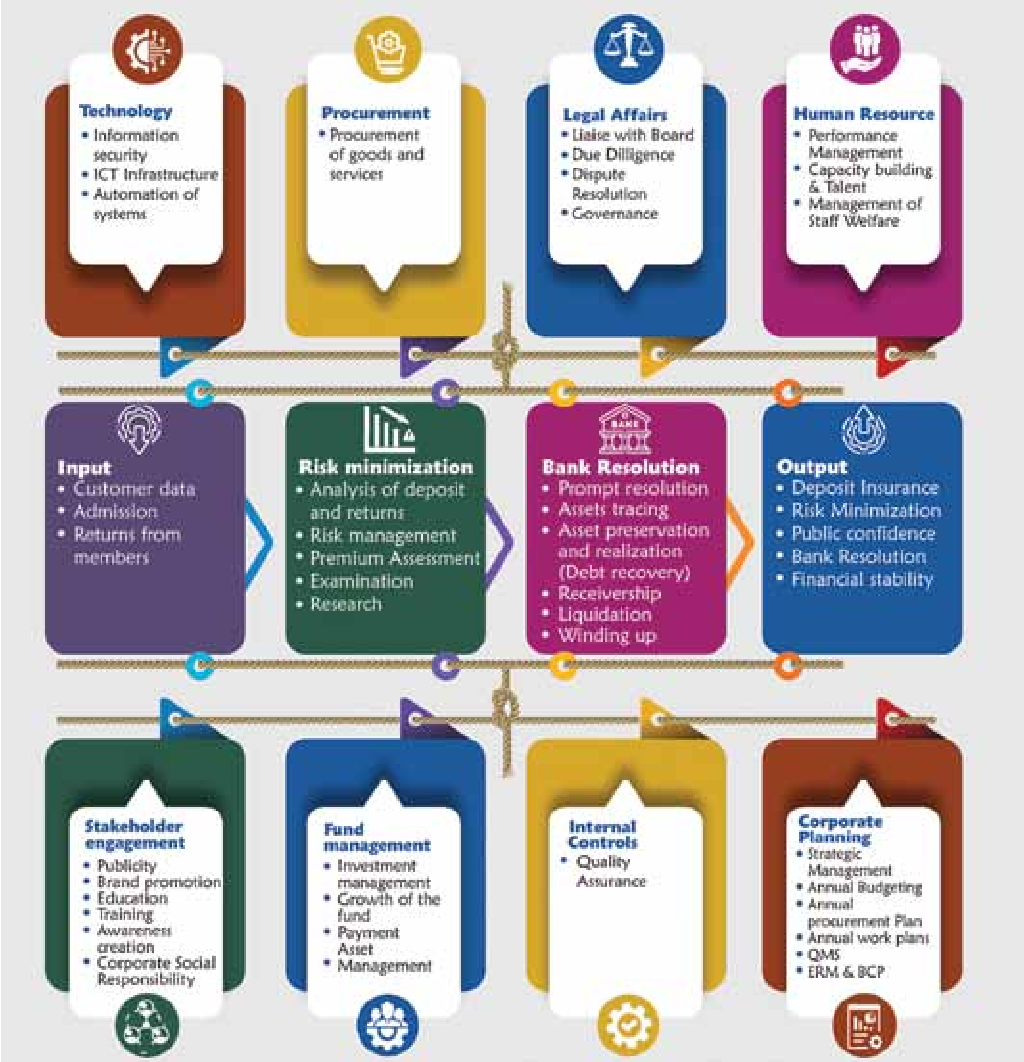
3.1.3 Internal Environment

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.

70%
of staff work In core mandate areas.

30%
of staff work in non-core functional areas

(QMS) 9001:2015
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.

Kes. 187B
A Deposit Insurance Fund managed by the Corporation against an exposure of insured deposits of Kes. 750 billion.

Kes. 5.3T
Total deposits

69% & 14%
The Corporation conducted Public awareness and Brand perception surveys whose resultant indices were at 14% and 69% respectively.

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 RESULT AREA	STRATEGIC OBJECTIVE
Risk Management	• To enhance early detection and timely intervention of risk exposure.
Deposit Insurance	• To increase the ratio of fund to total deposit from 7% in 2018 to 3.4% by 2023. • To increase the value of deposits covered from 8.75% in 2018 to 16% by 2023 • To ensure payment of protected deposits within 30 days
Stakeholder management	• To increase public awareness levels from 9% in 2018 to 40% by 2023. • To strengthen complaints handling and consumer protection. • To embrace best practices.
Prompt Resolution	• To ensure a decision is made on the most appropriate resolution option within 60 days by 2023 for non-systematic institutions. • To ensure effective and efficient receivership/liquidations. • To increase the debt recovery rate from 20% in 2018 to 3 0% by 2023.
Organizational Capacity	• To review the legal and regulatory framework • To enhance talent management • To entrench a robust organizational culture • To enhance operational efficiency • To promote good corporate governance practices

KEY MILESTONES DURING THE 2018-2023 STRATEGIC PLAN PERIOD

KRA 1 Risk Management

Strategic Objective

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

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

53

Number of member institutions that had offsite surveillance

KRA 2 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

KRA 3 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

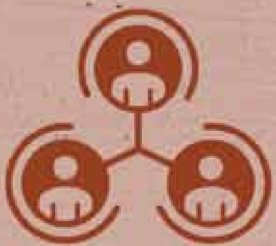
18% to 45.3%

Implementation of alternative dispute resolution increased recoveries

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

KRA 4 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.

KRA 5 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) A comprehensive depositor education initiative to increase awareness on the mandate and responsibilities of the corporation, as this is key to improved stakeholder 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

(i) **Litigation:** KDIC should adopt 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

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:

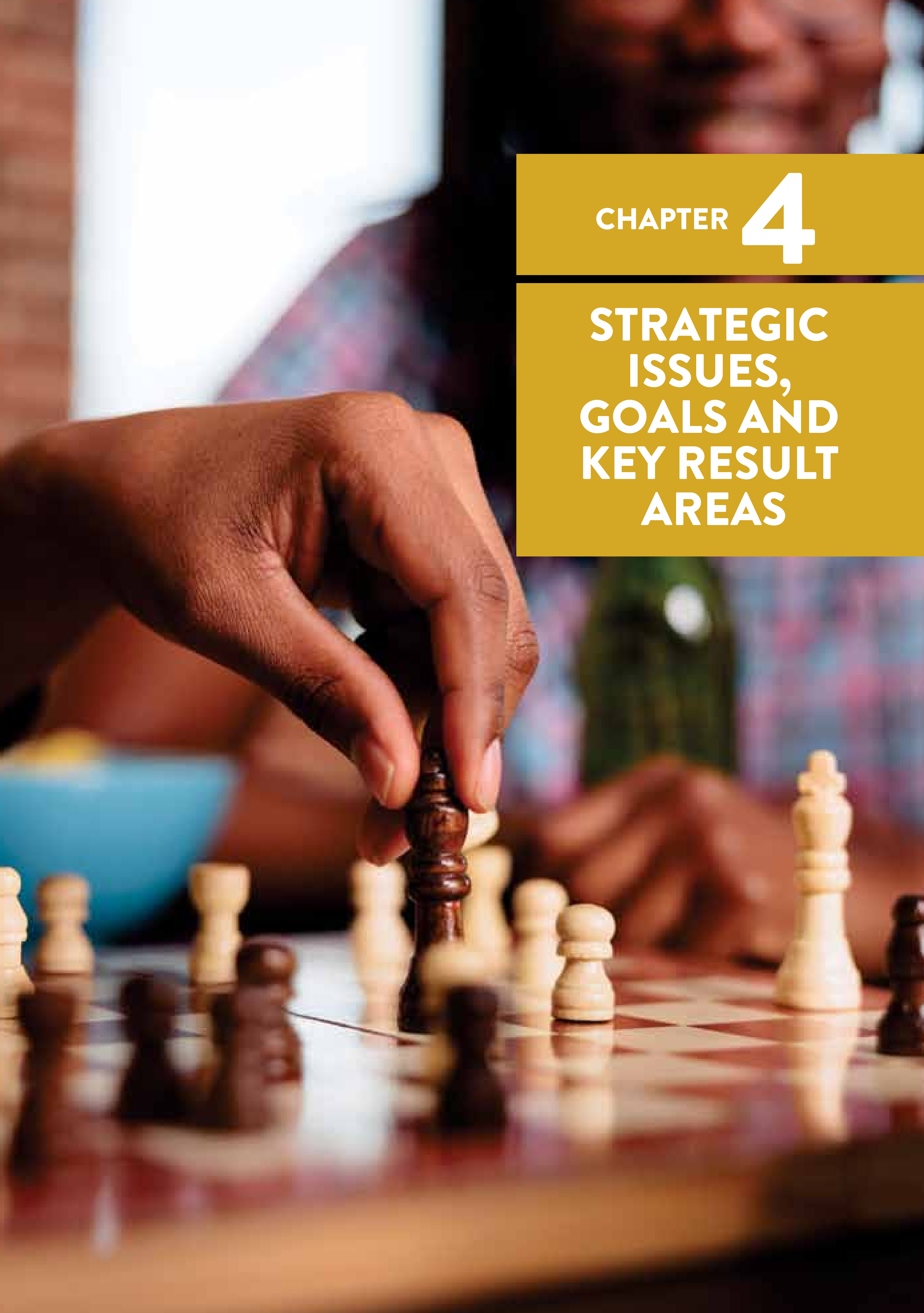
- Efficiency in complaints handling
- Reduced cost of compliance
- Continuous stakeholder engagement
- Adoption of best practice in risk minimization
- Structured research and development
- Bank Risk management.

“

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 2006 to 2014.



CHAPTER 4

STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

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, other support systems and functions, Business process re-engineering, automation of processes, digitization of records, standardization of systems, legal and regulatory frameworks, Leadership and governance structures to 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.

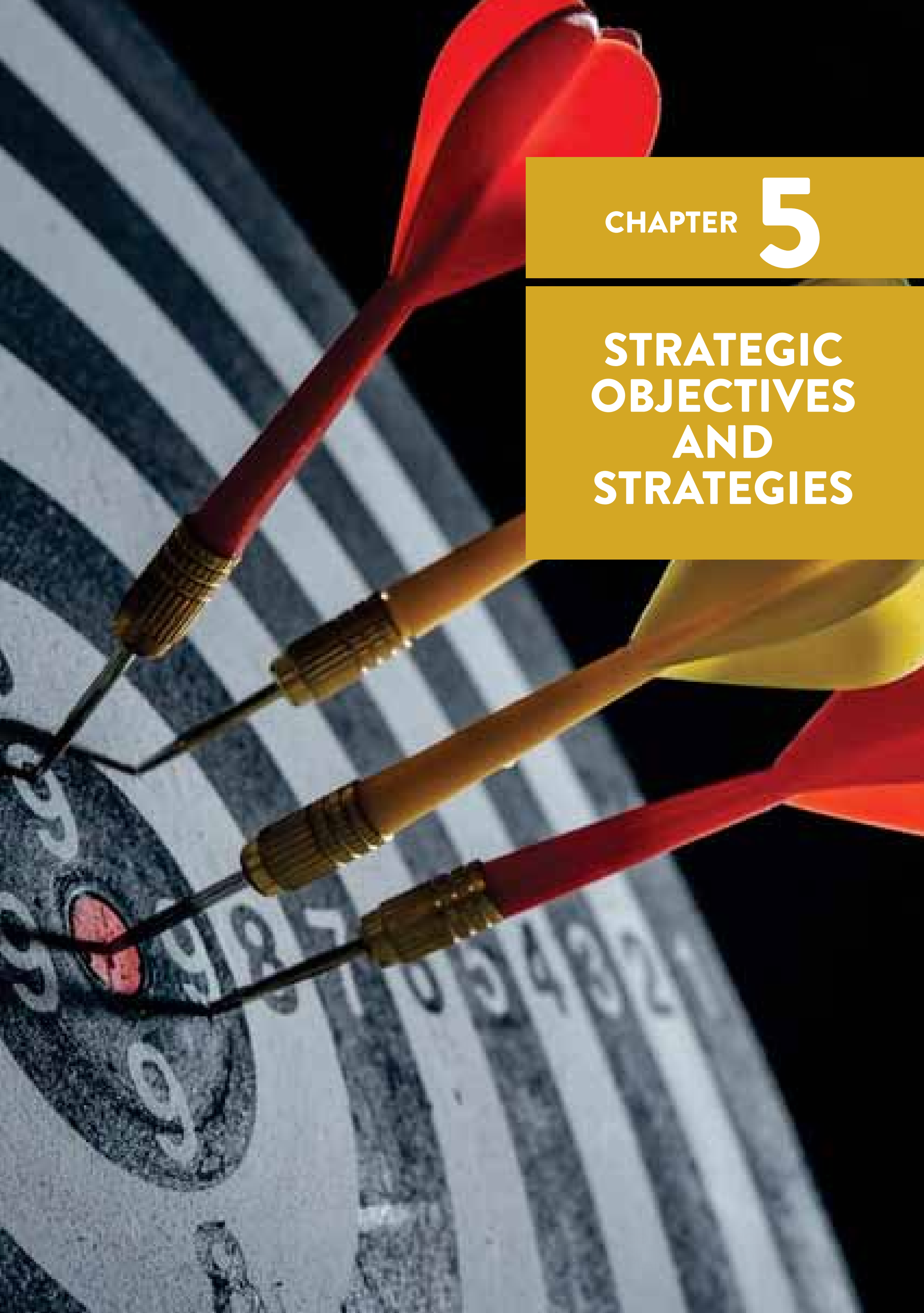
- Deposit Insurance
- Risk Minimization
- Resolution of problem banks
- Institutional Capacity Development

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

CHAPTER 5

STRATEGIC OBJECTIVES AND STRATEGIES



5.1 Strategic Objectives

This chapter captures the strategic objectives and their corresponding strategies.

Table: 5.1 Outcomes Annual Projections

Strategic Objective	Outcome	Outcome Indicator	Projections				
			Y1	Y2	Y3	Y4	Y5
KRA1: DEPOSIT INSURANCE (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 MINIMIZATION							
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 Objective	Outcome	Outcome Indicator	Projections				
			Y1	Y2	Y3	Y4	Y5
2.4: To improve crisis management framework	Crisis management framework improved	% Level implementation of Crisis Management Framework	-	-	100	100	100
KRA 3: RESOLUTION OF PROBLEM BANKS							
3.1 Reduce the amount owed by debtors in financial institutions in Liquidation	Increased rate of debt recovery	Amount of debts collected in Kes Billions	0.85B	1.10B	1.25B	1.30B	0.70B
		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 framework.	Developed Crisis management framework	Number of capacity building and trainings undertaken	1	1	1	1	1
		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 strategic collaboration and partnership with relevant stakeholders.	Strengthened collaboration and partnership in resolving problem banks.	Number of strategic partners sensitized	2	2	2	2	2
		Number of MOUs signed		1	1	1	
KRA 4: INSTITUTIONAL CAPACITY DEVELOPMENT							
4.1: To attract, acquire and retain talent	Optimum Staff establishment	No. of staff recruited	20	20	20	20	20
		Staff Retention Rate (%)	95	95	95	95	95
		Level of Succession Planning Framework implementation (%)	-	100	100	100	100

Strategic Objective	Outcome	Outcome Indicator	Projections				
			Y1	Y2	Y3	Y4	Y5
4.2: Build a vibrant and cohesive organizational culture		Culture entropy index (%)	37	30	23	17	12
	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 management and staff productivity	Improved corporate performance and staff productivity	Staff Productivity index (%)	65	67	69	71	73
		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
		% 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 of resources	Prudent & accountable utilization of resources	Annual budgets	1	1	1	1	1
		Audited and published annual reports and financial statements	1	1	1	1	1
4.8 Improve public awareness index from 14% to 28% by 2028	Increased public awareness index from 14% in 2023 to 28% in 2028	Public Awareness Index (%)	18	20	24	26	28
		Corporate Brand Perception Index (%)	69	71	73	75	79

5.2 Strategic Choices

Table 5.2: Strategic Choices

KRA	STRATEGIC OBJECTIVE	STRATEGIES
KRA 1: DEPOSIT INSURANCE	**OBJECTIVE 1.1** Prudent Management of the Deposit Insurance Fund	1. Review the risk-based premium model framework 2. Grow the investment income 3. Develop and implement a KDIC Budget Capping Policy
	OBJECTIVE 1.2: Enhance depositor protection and compensation	1. Develop and implement a single customer view framework 2. Develop and implement the Target Fund model 3. Review of the coverage limit
KRA 2: RISK MINIMIZATION	**OBJECTIVE 2.1:** Enhance risk minimization	1. Develop and implement a Data Management and Analytics Strategy. 2. Enhance the Risk Profiling framework 3. Review the Risk-Based Premium Assessment Model / DPS Model 4. Develop and issue risk minimization guidelines to member institutions 5. Implement On-site Examination Framework
	OBJECTIVE 2.2: To strengthen the regulatory framework	1. Carry out compliance assessment with IADI Core Principles and FSB Key Attributes of effective resolution regimes 2. Enhance Corporate Governance
	OBJECTIVE 2.3: Strengthen early intervention systems framework	1. Develop a Bridge Bank Framework 2. Develop a Resolution Fund Framework 3. Implement intervention strategies
	OBJECTIVE 2.4: To improve crisis management framework	1. Conduct Member Institution Resolvability Assessment 2. Develop and implement Resolution Planning Guidelines (Living will)
KRA 3: BANK RESOLUTION OF PROBLEM BANKS	**OBJECTIVE 3.1:** Reduce the amount owed by debtors in financial institutions in Liquidation	1. Identify opportunities in alternative debt collection
	OBJECTIVE 3.2: Wind -up financial institutions in Liquidation	1. Implement the developed winding up framework
	OBJECTIVE 3.3: Improve the Crisis management framework.	1. Develop and implement the Crisis management framework.

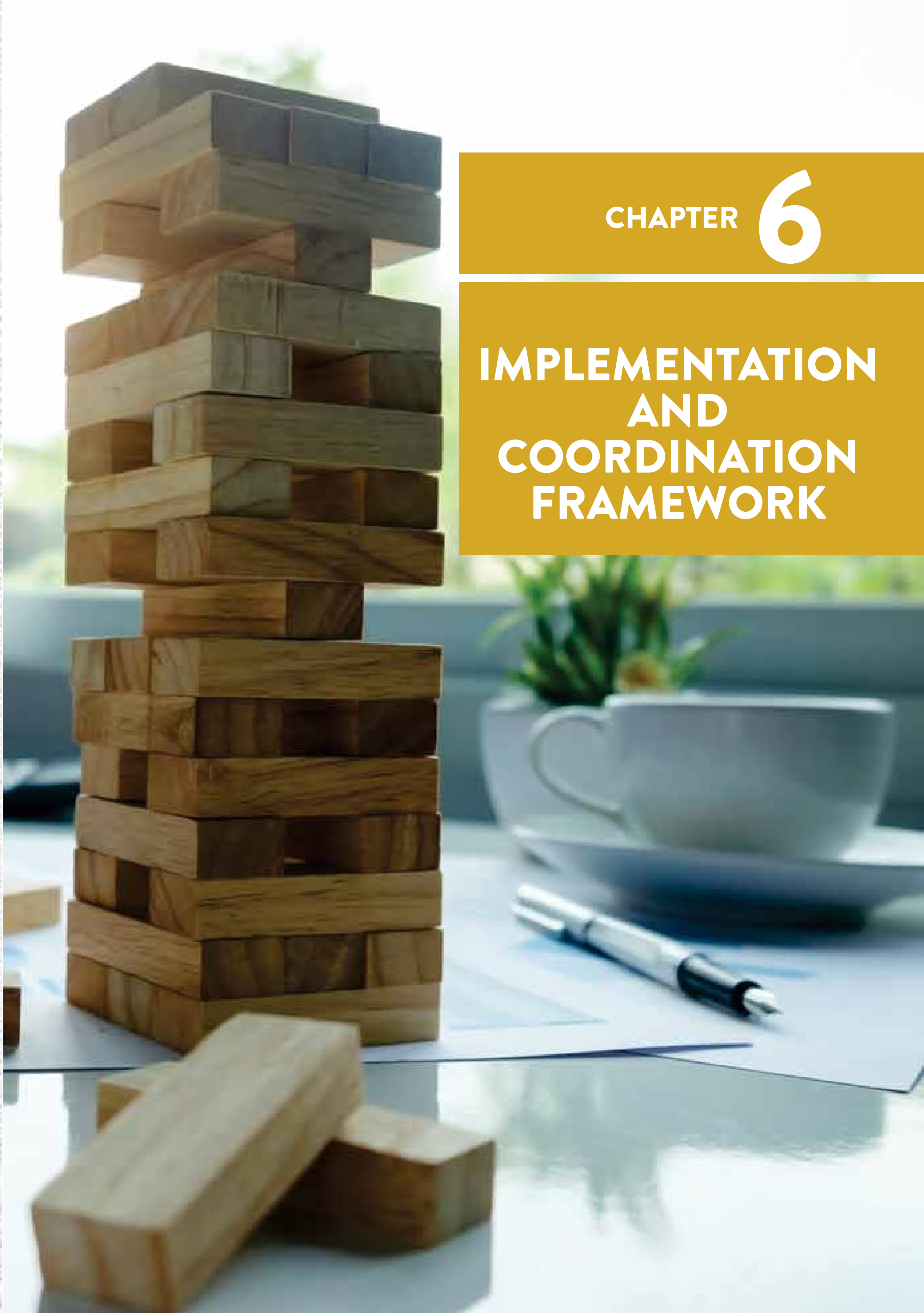
KRA	STRATEGIC OBJECTIVE	STRATEGIES
	OBJECTIVE 3.4: Improve the regulatory framework to strengthen resolution of problem Banks	1. Conduct Regulatory Impact Assessment 2. Collaborate with stakeholders to strengthen understanding of the Regulatory framework
	OBJECTIVE 3.5: Establish and enhance strategic collaboration and partnership with relevant stakeholders.	1. Directly engage the Strategic partners
KRA 4:  	**OBJECTIVE 4.1:** To Attract, acquire and retain talent	1. Review and Implement HR Instruments. 2. Undertake Capacity building program for all staff in their core areas to address performance Gaps. 3. Coaching and mentoring 4. Develop and implement a succession planning framework 5. Unlock, nurture and harness talent 6. Develop and implement Knowledge Management framework
	OBJECTIVE 4.2: Build a vibrant and cohesive organizational culture	1. Inculcate a Corporate Culture aligned to the Corporate Values 2. Organize and undertake annual corporate team building
	OBJECTIVE 4.3: To strengthen employee morale and motivation	1. Enhance Staff Engagement and Morale 2. Develop and implement a Staff Wellness plan
	OBJECTIVE 4.4: To Institutionalize performance management and staff productivity	1. Implementation of the Performance Management System (PMS) Policy 2. Develop and implement a staff productivity framework 3. Undertake a workload analysis
	OBJECTIVE 4.5: To automate processes and digitize records	1. Enhance utilization of the EDRMS 2. Enhance systems security/ data protection and privacy 3. Carry out Business Process Re-engineering and continual improvement 4. Adopt emerging technologies
	OBJECTIVE 4.6: Standardize Processes	1. 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	1. Promote KDIC brand to enhance visibility 2. Establish local, regional and global partnerships with stakeholders 3. Establish a Deposit Insurance Academy 4. Develop and implement deposit insurance literacy initiatives and roll-out in institutions of higher learning


OUR PROMISE TO MEMBER INSTITUTIONS
Bank Risk management
Efficiency in complaints handling
Structured research and development
Reduced cost of compliance
Adoption of best practice in risk minimization
Continuous stakeholder engagement

CHAPTER 6

IMPLEMENTATION AND COORDINATION FRAMEWORK



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 goal-oriented 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

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue: Deposit Insurance scheme (DIS)																
Strategic Goal: Build and sustain financial strength																
KRA 1: Deposit Insurance																
Outcomes: Growth of the fund, Growth of investment income, Budget utilization (Absorption of allocated funds)																
Strategic Objective 1.1: Prudent Management of the Deposit Insurance Fund																
Review the risk-based premium model framework	Review and implement the risk-based premium model	Reviewed risk based premium model	Approved risk based premium model	1	-	-	-	1	-	-	-	-	7.5	-	D-R&E	DD-R&E
	Compute respective banks' premiums	Assessed premiums	Assessed and received premiums report	5	1	1	1	1	1	OP	OP	OP	OP	OP	D-R&E	DD-R&E
				5	1	1	1	1	1	OP	OP	OP	OP	OP	D-R&E	DD-R&E
	Collect, account and invest the premiums			5	1	1	1	1	1	OP	OP	OP	OP	OP	D-R&E	DD-R&E
Grow the investment income	Review the investment policy	Reviewed investment policy	Approved investment policy	1	-	-	1	-	-	-	-	1	-	-	D-R&E	DD-Finance
	Invest the funds for optimal return on investment	Optimal portfolio	Optimal return on investment	10	10	10	10	10	10	OP	OP	OP	OP	OP	D-R&E	DD-Finance

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Enhance portfolio management and review portfolio performance targets			1	-	1	-	-	-	-	1	-	-	-	D-R&E	DD-Finance
	Regularly monitor and report on the investments	Regular reports on performance of the investment	Reports	20	4	4	4	4	4	OP	OP	OP	OP	OP	D-R&E	DD-Finance
Develop and implement a KDIC Budget Capping Policy	Develop and implement the KDIC Budget Capping Policy	Budget Capping Policy	Approved budget capping policy	1	-	1	-	-	-	-	1.5	-	-	-	D-R&E	DD-Finance
Outcome: Depositor protection and compensation enhanced																
Strategic Objective 1.2: Enhance depositor protection and compensation																
Develop and implement a single customer view framework	Develop appropriate templates, policies and procedures	Single customer view framework	Approved framework	1	-	1	-	-	-	-	1.5	-	-	-	D-R&E	DD-R&E

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Convene stakeholder engagement forums	Engaged stakeholders	Number of forums	4	-	4	-	-	-	-	1.5	-	-	-	D-R&E	DD-R&E
	Implement the single customer view	Single customer view	% of implementation	100	-	100	100	100	100	-	OP	OP	OP	OP	D-R&E	DD-R&E
Develop and implement the Target Fund model	Develop the Target Fund model	Developed target Fund Model	Approved target fund model	1	-	1	-	-	-	-	1.5	-	-	-	D-R&E	DD-R&E
	Convene stakeholder engagement forums	Stakeholders' engagement forum convened	Number of forums held	4	-	-	4	-	-	-	-	2	-	-	D-R&E	DD-R&E
	Implement the target fund model	Implemented target fund model	% of implementation	100	-	-	-	100	100	-	-	-	OP	OP	D-R&E	DD-R&E
Review of the coverage limit	Convene stakeholder engagement forums	Stakeholders' engagement forum convened	Number of forums held	3	-	-	3	-	-	-	-	1.5	-	-	D-R&E	DD-R&E

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop proposed coverage limit	Reviewed coverage limit	Approved coverage limit	1	-	-	1	-	-	-	-	2	-	-	D-R&E	DD-R&E
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																
Develop and implement a Data Management and Analytics Strategy.	Document guidelines for collection of data	Approved Guidelines	Guidelines	1	-	-	1	-	-	-	-	1.5	-	-	D. R&E	DD BE
	Document data protection and security guidelines	Approved Guidelines	Guidelines	1	-	-	1	-	-	-	-	6.5	-	-	D. R&E	DD BE
Enhance the Risk Profiling framework	Develop early warning system indicators	Early detection systems developed	Member profiles	52	-	-	52	-	-	-	-	0.5	-	-	D. R&E	DD BE

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Review the Risk-Based Premium Assessment Model / DPS Model	Constitute model review Technical Working Group.	Technical Working Group constituted	Constituted working group	1	-	-	-	1	-	-	-	-	1.0	-	D. R&E	DD BE
	Conduct review of the model	Reviewed model	Revised model	1	-	-	-	1	-	-	-	-	6.5	-	D. R&E	DD BE
	Stakeholder engagement on the reviewed model	Stakeholder participation on the reviewed model	Number of engagements	2	-	-	-	2	-	-	-	-	1.0	-	D. R&E	DD BE
	Implement the reviewed model	Reviewed model implemented	% of implementation of the reviewed model	100	-	-	-	100	100	-	-	-	OP	OP	D. R&E	DD BE
Develop and issue risk minimization guidelines to member institutions	Develop risk minimization guidelines	Issued guidelines	Guidelines issued	1	-	-	-	1	-	-	-	-	15.0	-	D. R&E	DD BE
	Hold stakeholder forums	Stakeholder participation forums held	Number of forums	3	-	-	-	3	-	-	-	-	1.5	-	D. R&E	DD BE

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Implement On-site Examination Framework	Develop and implement on site examination framework	On site examination framework developed	Framework developed	1	-	1	-	-	-	-	1	-	-	-	D. R&E	DD BE
Outcome: Regulatory framework strengthened																
Strategic Objective 2.2: To strengthen the regulatory framework																
Carry out compliance assessment with IADI Core Principles and FSB Key Attributes of effective resolution regimes	Engage IADI expert assessors to conduct compliance assessment	Recommendations from the assessment	Report	1	-	-	1	-	-	-	-	10.0	-	-	D. R&E	DD BE
	Conduct Knowledge sharing and exchange	Recommendations from knowledge sharing	Number of engagements and reports from knowledge shared	5	1	1	1	1	1	2.0	2.0	2.0	2.0	2.0	D. R&E	D. LA
Enhance Corporate Governance	Conduct legal and governance audit	Recommendations from the audit	Report	1	-	1	-	-	-	-	4.0	-	-	-	D. LA	D. R&E
	Quarterly review of the risk register	Reviewed risk register	Risk report	20	4	4	4	4	4	OP	OP	OP	OP	OP	DD. S&P	D. R&E

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Outcome: Early intervention systems framework strengthened																
Strategic Objective 2.3: Strengthen early intervention systems framework																
Develop a Bridge Bank Framework	Develop a supporting policy framework	Supporting framework developed	Framework	1	-	-	-	1	-	-	-	-	10.0	-	D. R	D. R&E
	Engage with stakeholders	Engaged stakeholders	No. of Stakeholder engagements	6	-	-	2	2	2	-	-	2.0	2.0	2.0	D. R	D. R&E
Develop a Resolution Fund Framework	Create a supporting policy framework	Resolution fund framework	Framework	1	-	-	-	1	-	-	-	-	10.0	-	D. R	D. R&E
	Engage with stakeholders.	Engaged stakeholders	No. of Stakeholder engagement	4	-	-	2	2	-	-	-	2.0	2.0	-	D. R	D. R&E
	Conduct bank viability assessments – liquidity	Visibility assessment	Report	1	-	-	-	1	-	-	-	-	1.0	-	D. R&E	DD BE
	Conduct systemic and DIF impact assessment	Systemic and DIF impact assessment	Report	1	-	-	-	1	-	-	-	-	1.0	-	D. R&E	DD BE
	Carry out network analysis.	Network analysis	Report	1	-	-	-	1	-	-	-	-	1.0	-	D. R&E	DD BE

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Implement intervention strategies	Develop and implement prompt corrective action framework	Prompt corrective action framework developed	Framework	1	-	-	1	-	-	-	-	1.0	-	-	D. R&E	DD BE
	Develop Deposit Insurance Fund Restoration Framework	Deposit Insurance Fund Restoration Framework developed	Framework	1	-	-	-	1	-	-	-	-	10.0	-	D. R&E	DD BE
Outcome: Crisis management framework improved																
Strategic Objective 2.4: To improve crisis management framework																
Conduct Member Institution Resolvability Assessment	Document resolution procedures and options for member institutions	Enhanced resolution toolkit	Procedures/ Framework	1	-	-	1	-	-	-	-	60.0	-	-	D. R&E	DD BE
Develop and implement Resolution Planning Guidelines (Living will)	Design Resolution Planning Framework	Resolution Planning Framework	Framework	1	-	1	-	-	-	-	60.0	-	-	-	D. R&E	DD BE

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop guidelines and templates for resolution planning and issue to member institutions	Approved guidelines	Guidelines	1	-	-	-	1	-	-	-	-	1.5	-	D. R&E	DD BE
	Hold stakeholder workshops	Engaged stakeholders	No. of Stakeholder engagement	6	-	-	-	3	3	-	-	-	3.0	3.0	D. R&E	DD BE
	Document resolution plans.	Developed plans	Developed plans	1	-	-	-	-	1	-	-	-	-	-	D. R&E	DD BE
Strategic Issue: Problem banks/failed institutions																
Strategic Goal: Enhance efficiency in receivership, liquidation and winding up of member institutions																
KRA 3: Resolution of problem banks																
Outcome: Increased rate of debt recovery																
Strategic Objective 3.1: Reduce the amount owed by debtors in financial institutions in liquidation																
Identify opportunities in alternative debt collection	Adopting alternative debt collection methods	Increased amounts of debt collected.	Amount of debt collected in Kenya shillings. Billion	Kes 5 billion	0.85	1.1	1.25	1.30	0.70	3.5	4	4	4	4	D-Resolution	DD-Resolution

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Creating strategic relationships with key stakeholders to support debt realization.	Strategic relationships established	Number of partnerships created	7	1	2	2	1	1	3	15.0	6	4	4	D-Resolution	DD-Resolution
Outcome: Wound up institutions																
Strategic Objective 3.2: Wind-up financial institutions in liquidation																
Implement the developed winding up framework	Develop and implement a winding up procedure	Developed framework	Approved framework	1						-	6	6	12	6	D-Resolution	DD-Resolution
	Profile the institutions in liquidation for purposes of winding up	Institutions profiled	Report(s) on profiled institutions	10	2	2	2	2	2	1.5	6	5	5	5	D-Resolution	DD-Resolution
	Wind up targeted institutions	Wound up institutions	Number of institutions wound up	6	-	2	2	2	-	6	10	12	12	6	D-Resolution	DD-Resolution

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Document resolution experiences for Institutions in liquidation	Documented experiences	Number of documented experiences			3					9				D-Resolution	DD-Resolution
Outcome: Developed crisis management framework																
Strategic Objective 3.3: Improve the crisis management framework																
Develop and implement Crisis Management Framework (KDIC + Financial Sector)	Hold crisis preparedness workshops with stakeholders	Enhanced preparedness	No. of engagements	4		1	1	1	1		10.0	5.0	5.0	5.0	D. Resolution	DD Resolution
	Develop a Crisis Management Framework	Crisis Management Framework developed	Framework	1			1					2.0			D. Resolution	DD Resolution
	Carryout crisis preparedness and simulations.	Crisis preparedness and simulations training carried out	Number of crisis preparedness and simulations carried out	1	1	1	1	1	1	8	8	8	8	8	D-R&E	DD-R&E

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Undertake capacity building and training	Enhanced capacity on alternative debt collection	Number of capacity building and trainings undertaken.	2	2	2	2	2	2	6	10	10	10	6	D-Resolution	DD-Resolution
	Engage in cross-border collaborations and partnerships	Establish Cross-border collaboration and partnerships.	Number of partnerships established	4	-	1	1	1	1	-	10	7.5	7.5	7.5	D-Resolution	DD-Resolution
Outcome: Regulatory framework reviewed and enhanced.																
Strategic Objective 3.4: Improve the regulatory framework																
Conduct Regulatory Impact Assessment (RIA)	Engage a consultant to undertake RIA	RIA Report	Number of reports	1	-	1	-	-	-	-	5	-	-	-	D. LA	D-Resolution D. R&E
	Implement the recommendation of the RIA -Reports	Recommendations implemented	% of implementations recommended	100	-	20	50	80	100	-	15	5	5	5	D. LA	D-Resolution D. R&E

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Collaborate with stakeholders to strengthen understanding of the Regulatory framework	Conduct stakeholder forums	Convened stakeholder forums	Number of forums	5	1	1	1	1	1	5	5	5	5	5	D. LA	D-Resolution D. R&E
	Conduct knowledge exchange and research in developed jurisdiction	Knowledge exchange conducted	Report	4	-	1	1	1	1	-	2.0	2.0	2.0	2.0	D. LA	D-Resolution D. R&E
Outcome: Strengthened collaboration and partnership in resolving problem banks.																
Strategic Objective 3.5: Establish and enhance strategic collaboration and partnership with relevant stakeholders.																
Directly engage the Strategic partners	Organize stakeholder engagement forums to partner and collaborate in resolving problem banks	Stakeholder engagement forums conducted	Number of forums held	10	2	2	2	2	2	4	4	4	4	4	D-Resolution	DD-Resolution

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Support Financial Regulators Forum to foster financial stability	Financial Regulator forums supported	Number of forums supported		-					-	10	10	10	10	D-Resolution	DD-Resolution
	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	10	2	2	2	2	2	-	5	5	5	5	D-Resolution	DD-Resolution
	Formalize Partnerships	Signed MOUs	Number of MOUs signed	3	-	1	1	1	-						D-Resolution	DD-Resolution
Strategic Issue: Institutional Capacity																
Strategic Goal: Strengthened Institutional capacity for effective service delivery																
KRA 4: Institutional Capacity Development																
Outcome: Optimum Staff establishment																
Strategic Objective 4.1: To Attract, acquire and retain talent																
Review and Implement HR Instruments.	Populate the staff establishment to optimum levels.	Optimum staff establishment	No. of staff recruited	95	15	20	20	20	20	50	75	75	75	75	DD-HR&A	AD/PO – HR &A

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Implement/ adopt the new organizational structure	Adopted organizational structure	% level of implementation of the organizational structure	100	40	60	80	90	100	OP	OP	OP	OP	OP	DD-HR&A	AD/PO – HR &A
Undertake Capacity building program for all staff in their core areas to address performance Gaps.	Undertake skills mapping	Skills Mapping undertaken	No. of reports	5	1	1	1	1	1	2	2	2	2	2	DD-HR&A	AD/PO – HR &A
	Conduct and implement a skills gap analysis.	Skill Gap Analysis undertaken	Skill Gap Analysis report	5	1	1	1	1	1	3	3	3	3	3	DD-HR&A	AD/PO – HR &A
Coaching and mentoring	Implementation of the Coaching and Mentorship Program	Coaching and mentoring program implemented	% level of implementation	100	30	50	70	90	100	3	3	3	3	3	DD-HR&A	AD/PO – HR &A
Develop and implement a succession planning framework	Develop a succession planning policy framework	Approved Framework	Framework	1	1	-	-	-	-	1	-	-	-		DD	

Strategy	HR/A	AD/PO – HR &A	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Implement a succession planning framework	Succession planning framework implemented	% level of implementation	100	20	40	60	80	100	1	1	1.5	1.5	1.5	DD HR/A	AD/PO – HR &A
Unlock, nurture and harness talent	Develop a Talent Management Policy	Talent Management Policy developed	Approved Talent Management Policy	1	1	-	-	-	-	1	-	-	-	-	DD HR/A	AD/PO – HR &A
	Implement a Talent Management Policy	Talent Management Policy implemented	% level of implementation	100	20	40	60	80	100	1	1	1.5	1.5	1.5	DD HR/A	AD/PO – HR &A
Develop and implement Knowledge Management framework	Develop a Knowledge Management Framework	Framework developed	Approved Framework	1	-	1	-	-	-	-	2	-	-	-	DD HR/A	AD/PO – HR &A
	Capacity building for staff on Knowledge Management	Capacity building undertaken	% of staff trained on Knowledge Management	100	-	100	-	-	-	-	5	-	-	-	DD-HR&A	AD/PO – HR &A

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Outcome: Vibrant organizational culture																
Strategic Objective 4.2: Build a vibrant and cohesive organizational culture																
Inculcate a Corporate Culture aligned to the Corporate Values	Implement recommendations of the Corporate Culture Baseline survey 2022/ 2023 through the culture change implementation matrix.	Recommendations adopted	Corporate Culture Entropy	12	37	30	23	17	12	3	3	3	3	3	DD-HR&A	AD/PO – HR &A
	Undertake an exit Corporate Culture Baseline survey	Corporate Culture Exit Survey undertaken	Corporate Culture report	5	1	1	1	1	1	1.5	1.5	1.5	1.5	1.5	DD-HR&A	AD/PO – HR &A
Organize and undertake Annual Corporate Team building	Organize team building, sports day and end of year party.	Improved Culture & Team work	Number of planned activities	15	3	3	3	3	3	8	9	10	11	12	DD-HR&A	AD/PO – HR &A

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Outcome: Motivated workforce																
Strategic Objective 4.3: To strengthen employee morale and motivation																
Enhance Staff Engagement and Morale	Carry out Employee / Staff Satisfaction survey	ESS Report	ESS Index	80	72	74	76	78	80	1.5	1.5	1.5	1.5	1.5	DD-HR&A	AD/PO – HR &A
	Implement recommendations of the Staff Engagement & Morale Survey/ work Ergonomics survey	Recommendations implemented	% Level of implementation of the recommendations	100	100	100	100	100	100	2	2	2	3	3	DD-HR&A	AD/PO – HR &A
Develop and implement a Staff Wellness plan	Prepare the Staff Wellness Plan and Wellness programs	Staff wellness plan and programs prepared	Prepared staff wellness plan and programs	4	-	1	1	1	1	-	5	5	5	5	DD-HR&A	AD/PO – HR &A
Outcome: Improved corporate performance and staff productivity																
Strategic Objective 4.4: To institutionalize performance management and staff productivity																
Implementation of the Performance Management System (PMS) Policy	Automation of BSC tool.	Automated BSC tool with functional modules	% level of automation	100	-	100	100	100	100	0	10	-	-	-	DD- S&P	PO- S&P

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Capacity Building on the automated BSC tool / Performance Management Module	Staff Capacity building undertaken	% of staff trained on the automated BSC tool	100		100	100	100	100	-	5	-	-	-	DD- S&P	DD-HR
	Planning, monitoring, reviewing and rewarding employee performance	Employee performance reviewed and rewarded	% of eligible employees to be rewarded	100	100	100	100	100	100	15	20	20	20	25	DD-HR	AD/PO – HR &A
Develop and implement a staff productivity framework	Development of a staff productivity metrics	Approved Staff Productivity metrics	Approved productivity framework developed	1	1	-	-	-	-	2	-	-	-	-	DD-HR&A	AD/PO – HR &A
	Collection of productivity measurement data	Productivity measurement data collected	Productivity measurement data report	1	1	-	-	-	-	1	-	-	-	-	DD-HR&A	AD/PO – HR &A
	Compute productivity index	Productivity index computed	Computed productivity index	1	1	-	-	-	-		-	-	-	-	DD-HR&A	AD/PO – HR &A

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Development of workplace productivity improvement strategy	Workplace productivity improvement strategy developed	Workplace productivity improvement strategy	1	1	-	-	-	-	OP	-	-	-	-	DD-HR&A	AD/PO – HR &A
Undertake a workload analysis	Conduct a workload analysis	Workload analysis conducted	Workload analysis report0	1	-	1	-	-	-	-	5	-	-	-	DD-HR&A	AD/PO – HR &A
	Implement the recommendations of the workload analysis report.	Balanced workload	% Level of implementation of the recommendations	100	-	-	30	30	40	-	-	3	3	3	DD-HR&A	AD/PO – HR &A
Outcome: Automated processes and digitized records																
Strategic Objective 4.5: To automate processes and digitize records																
Enhance utilization of the EDRMS	Develop and implement a Records Management Policy	Records Management Policy developed	Approved Records Management policy	1	-	1	-	-	-	-	2	-	-	-	DD-HR&A	AD/PO – HR &A
	Implement a Records Management Policy	Approved records Management Policy	% level of implementation	100	-	40	60	80	100	-	2	2	2	2	DD-HR&A	AD/PO – HR &A
	Integrate EDRMS to new/existing systems	EDRMS integration	% of systems integrated	100						OP	4.6	OP	OP	OP	DD-ICT	SO - ICT

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Build capacity on digitized records management	Staff trained on EDRMS	% of staff trained in records management	100	100	100	-	-	-	5	1	OP	OP	OP	DD-ICT	SO - ICT
	Define and carry out periodic monitoring and evaluation of EDRMS	Monitoring and evaluation report	No. of periodic reports generated	20	4	4	4	4	4	OP	OP	OP	OP	OP	DD-ICT	SO - ICT
Enhance systems security/ data protection and privacy	Carry out data protection impact assessment (DPIA)	DPIA Report	No. of reports	6	1	2	3	-	-	OP	2	5	OP	OP	DD-ICT	SO - ICT
	Develop and implement data protection policy	Data Protection policy developed	Approved policy	1	1	-	-	1	-	3	0	0	3	0	DD-ICT	SO - ICT
	Enhance data security controls to ensure Confidentiality, Integrity and Availability	Enhanced information security	Audit reports	2	1	-	1	-	1	6	6	6	0	6	DD-ICT	SO - ICT

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Ensure Business Continuity by reviewing, monitoring and implementation of the BCP framework	BCP framework	Quarterly reports	20	4	4	4	4	4	3	4	4.5	5	6	DD- S&P	PO-S&P
Carry out Business Process Re-engineering and continual improvement	Implement and continually review Business Process Re-engineering work plans.	Business process Re-engineering workplan reviewed	% level of BPR workplan implementation	100	100	100	100	100	100	3	5	OP	OP	OP	DD- S&P	DD-ICT
	Identify and automate processes	Automated / digitized processes within functions	% of processes within functions automated/ digitized							60	OP	OP	50	OP	DD-ICT	SO - ICT
Adopt emerging technologies	Research on emerging technologies as appropriate	Research reports	No. of research reports	1	-	1	-	-	-	OP	3	OP	OP	OP	DD-ICT	SO - ICT

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop and implement policies that will guide data management and governance	Approved policies developed	No. of policies developed	1	1	-	-	-	-	OP	OP	OP	OP	OP	DD-ICT	SO - ICT
Outcome: Standardized processes																
Strategic Objective 4.6: Standardize Processes																
Identify and prioritize standards to be implemented and maintained	Identify standards for implementation and maintenance	Standards identified	Number of Standards identified	4	1	1	1	1	-	2	2	2	2	-	DD – S&P	PO-S&P
	Implement and maintain identified relevant Standards	Standards	No. of standards	4	1	1	1	1	-	3	3	3	3	-	DD – S&P	PO-S&P
	Undertake audits and administration of the Standards	Audit report	No. of audits	4	1	1	1	1	-	OP	OP	OP	OP	-	DD – S&P	PO-S&P

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Document the processes in line with the Standards	Processes documented	% of processes documented	100	100	100	100	100	-	OP	OP	OP	OP	-	DD – S&P	PO-S&P
	Undertake annual capacity building on the various Standards.	Capacity building programs undertaken	Annual capacity building programs	4	1	1	1	1	-	1	3	4	5	-	DD – S&P	PO-S&P
Outcome: Prudent & accountable utilization of resources																
Strategic Objective 4.7: Enhance prudence in the utilisation of resources																
Ensure compliance with PFM Act, PPDA Act, National Treasury Circulars and other relevant regulations.	Prepare and implement annual workplans, annual budgets and procurement plans	Approved annual workplans, budgets and procurement plans	Annual workplan budget and procurement plan	15	3	3	3	3	3	3	2	3	3	3	DD-S&PDD-F	

Strategy	PO-SCM		Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Undertake quarterly, mid-year and annual monitoring, evaluation and reporting of the rolling strategic plan	Quarterly and annual monitoring reports prepared	Quarterly and annual monitoring reports	20	4	4	4	4	4	7.5	7.5	7.5	7.5	7.5	DD- S&P	PO-S&P
	Carry out audits and implement recommendations	Implementation of the Corrective Action Plans	% of implementation of the proposed Corrective Action Plans	100	100	100	100	100	100	OP	5.0	5.0	5.0	5.0	DD- S&P	PO-S&P
Enhance accountability	Prepare and publish annual reports and financial statements.	Annual reports and financial statements	Audited and published annual reports and financial statements	5	1	1	1	1	1	1.5	1.5	1.5	1.5	1.5	DD - F	PO-F
Enhance corporate planning	Review and monitor the implementation of the finance and procurement policies	Reviewed finance policy	Approved finance policy	1	-	1	-	-	-	-	1.25	-	-	-	DD-F	PO-F
		Reviewed procurement policy	Approved procurement policy	1											PO-SCM	

Strategy	PO-SCM		Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Sensitize staff on reviewed finance and procurement Policies	Staff sensitization on approved policies	% of staff sensitized	100	-	100	100	100	100	-	0.2				DD-F PO-SCM	PO-F
Outcome: Enhanced awareness and brand visibility																
Strategic Objective 4.8: Improve public awareness index from 14% in 2023 to 28% by 2028																
Promote KDIC brand to enhance Awareness	Develop the integrated communication and publicity strategy	Communication and publicity strategy developed	Communication and publicity strategy	1	0	1	0	0	0		4	0	0	0	PO- CC	SO-CC
	Implement and review integrated communication and publicity strategy	Public awareness survey report	Public awareness Index	28	18	20	24	26	28	32	74	70	80	40	PO- CC	SO-CC
		Brand perception report	Brand perception index	79	71	73	75	77	79	2	2	2	2	2	PO-CC	SO-CC
	Develop a Corporate Social Responsibility (CSR) strategy and policy	Corporate Social Responsibility (CSR) strategy and policy developed	Annual Corporate Social Responsibility (CSR) reports	1	-	1	-	-	-	-	2	0	0	0	Committee	PO-CC

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Implement and review the CSR policy and strategy	Annual CSR reports	Number of CSR reports	5	-	1	1	1	1	10	20	20	20	20	Committee	PO-CC
	Review and implement a customer service delivery framework	Approved customer service delivery charter	Customer service delivery charter	1	1					4	4	4	4	4	PO- CC	SO-CC
	Carry out customer satisfaction survey	Customer satisfaction report	Customer satisfaction index	64	56	58	60	62	64	2	2	2	2	2	PO- CC	All Directorates/ Departments
Establish local, regional and global partnerships with stakeholders	Identify and engage strategic partners	Strategic partnerships and collaboration	Number of partnerships	5	1	1	1	1	1	3	3	3	3	3	PO-CC	Respective Directorates
	Document impact of the partnerships	Strategic partnerships and collaboration	Documented partnerships	5	1	1	1	1	1	3	3	3	3	3	PO-CC	Respective Directorates
Establish a Deposit Insurance Academy	Develop a framework for establishment of the Academy	Framework for establishing the academy developed	Framework developed	1	-	1				-	10	4	4	4	D. R&E	PO-CC

Strategy	Key Activities	Expected Output	Output indicators	Target for 5 years	Target					Budget (Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop a curriculum	DI Curriculum developed	Approved curriculum developed	1	-	1				-	2	2	2	2	DD Resolution	PO-CC
	Launch the Academy	Academy established	Academy launched	1											D. R&E	PO-CC
Develop and implement deposit insurance literacy initiatives and roll-out institutions of higher learning	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
	Implementation of the DI curriculum	Approved deposit insurance curriculum	% level of implementation	100	-	100	100	100	100		2	2	2	2	D. R&E	PO-CC
	Develop a platform to host the content	Deposit Insurance platform	Platform developed	1							10	10	10	10	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. This 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

At 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

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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 efficient implementation of 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.

KDIC Organogram

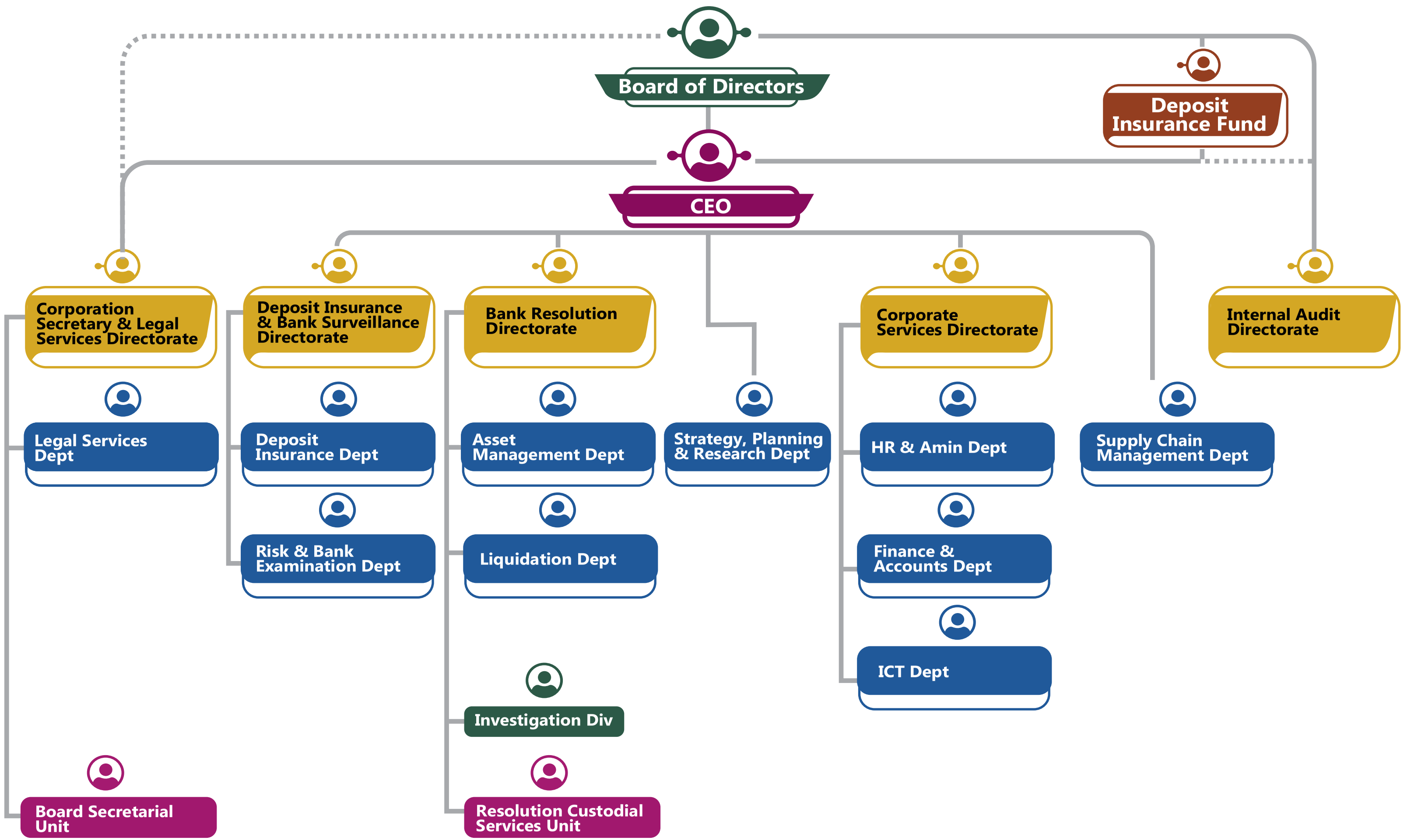


Table 6.2 Kdic Staff Establishment

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

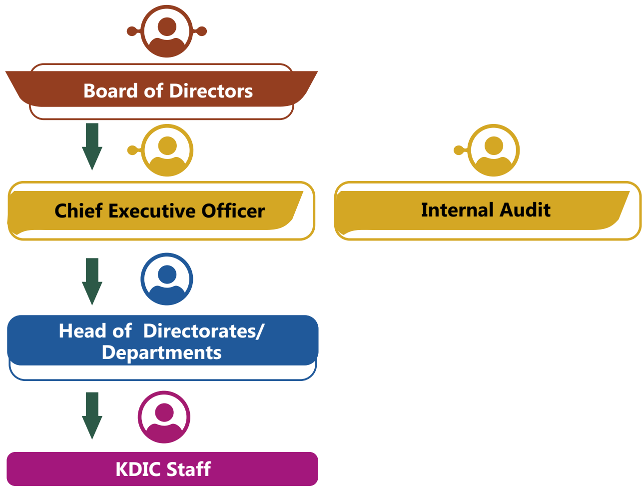
Cadre	Skillset	Skills Gap	Competence Development
Chief Executive Officer	i. Relevant qualification and work experience ii. People management and communication skills; iii. Strategic leadership and management skills iv. Expert on core mandate v. Financial Management skills	i. Business risk management 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	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	i. Relevant qualification and work experience ii. Business Risk Management and Compliance iii. IT 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 decision-making process. Committees can ensure thorough planning, risk 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, as 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 (BCMS) Framework. The ERM 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.

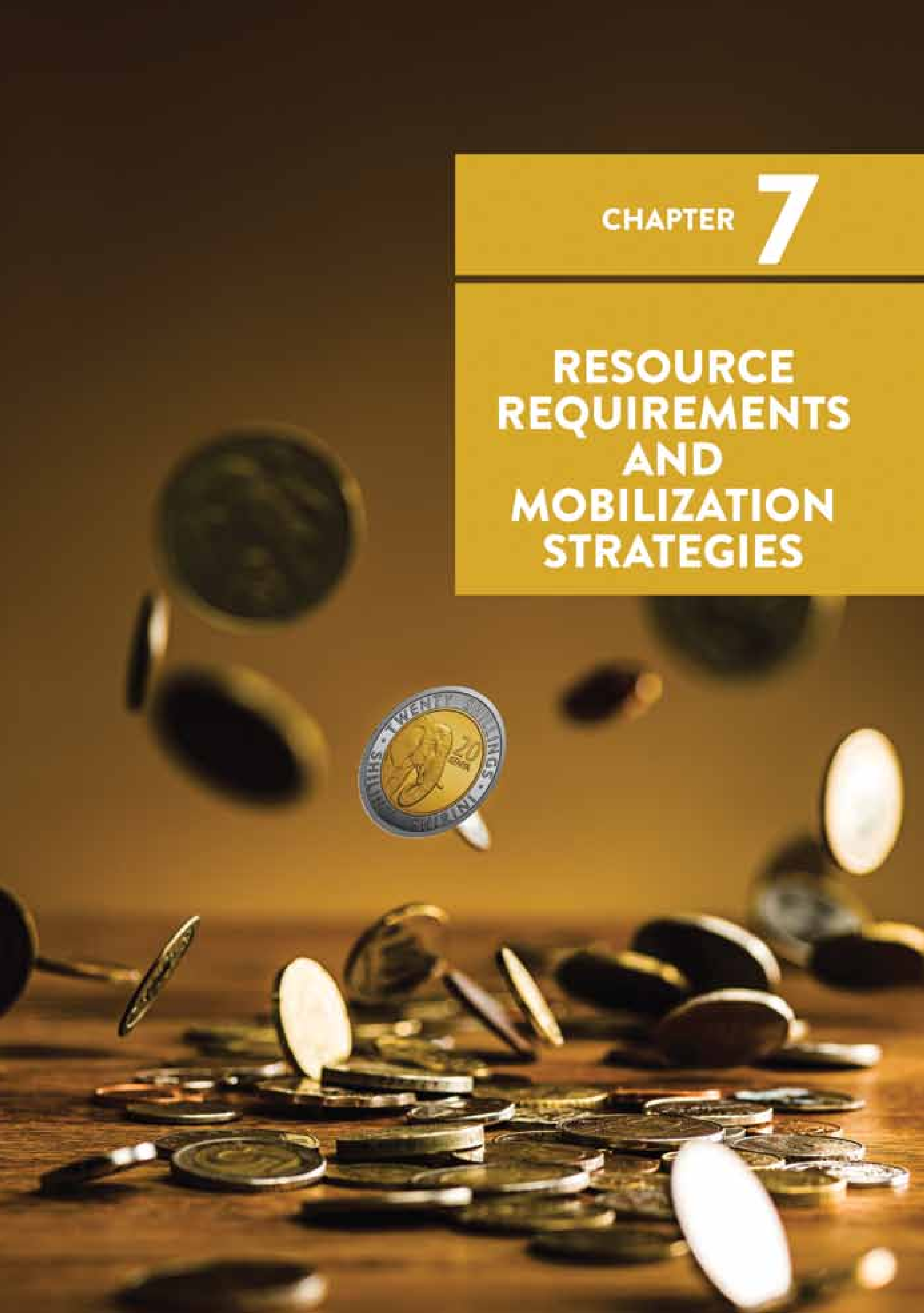
Table 6.4 Risk Management Framework

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 campaigns • Complaints 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

CHAPTER 7

RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES



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

Projected Resource Requirements (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	**-**	**7**	**6.5**	**7.5**	**-**	**21**	**0.96%**
Risk Minimization	Enhance risk minimization	-	1	9	25	-	35	1.6%
	To strengthen the regulatory framework	2	6	12	2	2	24	1.09%
	Strengthen early intervention systems framework	-	-	5	37	2	44	2.01%
	To improve crisis management framework	-	60	60	4.5	3	127.5	5.82%
	Sub Total	**2**	**66**	**86**	**68.5**	**7**	**229.5**	**10.47%**
Resolution of problem banks	Reduce the amount owed by debtors in financial institutions in Liquidation	6.5	19	10	8	8	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	19	20	0.91%
	Sub Total	**37**	**106**	**96.5**	**98.5**	**82.5**	**420.5**	**19.18%**
	To attract, acquire and retain talent	62	92	86	86	86	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	80	29.6	17.5	60	14	182.5	8.33%
	Standardize Processes	1	13	6	7	5	39	1.78%

Cost Item	Objective	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**	**100%**
	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.

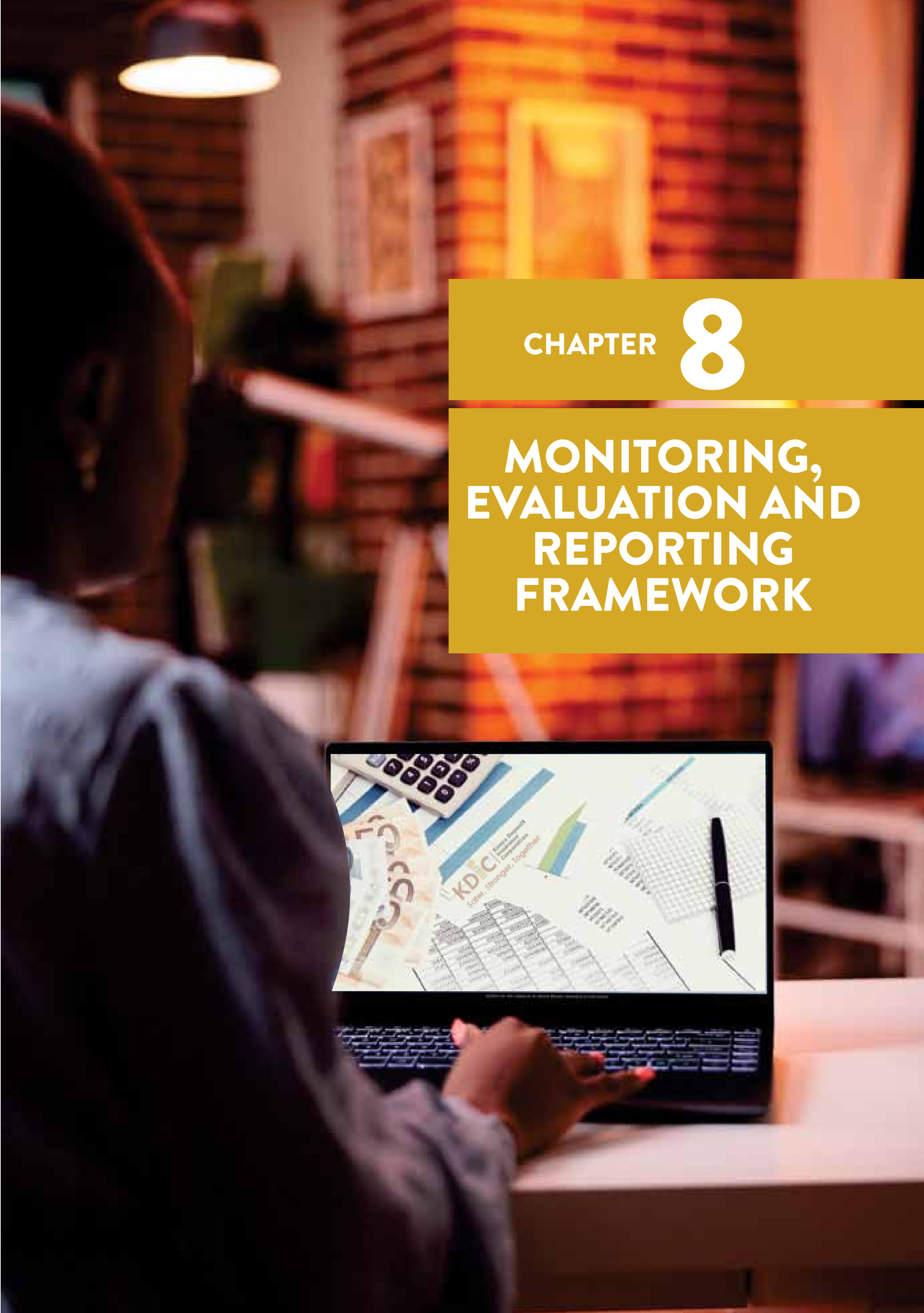
In addition, BETA will ensure rational resource allocation by eliminating wastage of resources occasioned by duplication, fragmentation and ineffective coordination in implementation of programs and projects. KDIC taps into this through it strategic themes and as objectives as shown below;

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 to access credit to grow their businesses.	A stable financial system allows for the sustainable growth of micro-finance 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		
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.

CHAPTER 8

MONITORING, EVALUATION AND REPORTING FRAMEWORK



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 sub-committees 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.	1. KDIC CEO 2. Director of Corporate Services 3. Deputy Director of Communication and International Affairs 4. Director of Resolutions & Director of Legal Affairs. 5. Director of Deposit Insurance and Bank Surveillance 6. 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.	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.
	This team will work in close coordination with the 5 Key Result Area leaders.			

Team	Role	Membership	Tasks	Time Commitment
MEASUREMENT 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

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			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		

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value (Y1)	Year	Mid-Term Period (Y3)	End-Term Period (Y5)
Resolution of Problem Banks	Increased rate of debt recovery	Amount of debts collected in billion	0.85B	2023/24		
		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 and partnership in resolving problem banks.	Number of strategic partners sensitized	2	2023/24		
		Number of MOUs signed	-	2023/24		
Institutional Capacity Development	Optimum Staff establishment	No. of staff recruited	20	2023/24		
		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 performance and staff productivity	Staff Productivity index (%)	65	2023/24		
		Engagement index (%)	55	2023/24		
		Corporate Performance index (%)	95.87	2023/24		

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value (Y1)	Year	Mid-Term Period (Y3)	End-Term Period (Y5)
	Automated processes and digitized records	% Level of EDRMS systems integration	-	2023/24		
		% of Processes within functions automated/ digitized	40	2023/24		
	Standardized processes	% level of implementation of identified relevant standards	100	2023/24		
	Prudent & accountable utilization of resources	Annual budgets	1	2023/24		
		Audited and published annual reports and financial statements	1	2023/24		
	Increased public awareness index from 14% in 2023 to 28% in 2028	Public Awareness Index (%)	18	2023/24		
		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 will entail data collection, data analysis, preparation and presentation of reports, and drafting of the management response

8.4 Reporting Framework and Feedback Mechanism

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

Table 8.2 Quarterly Progress Reporting Template

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

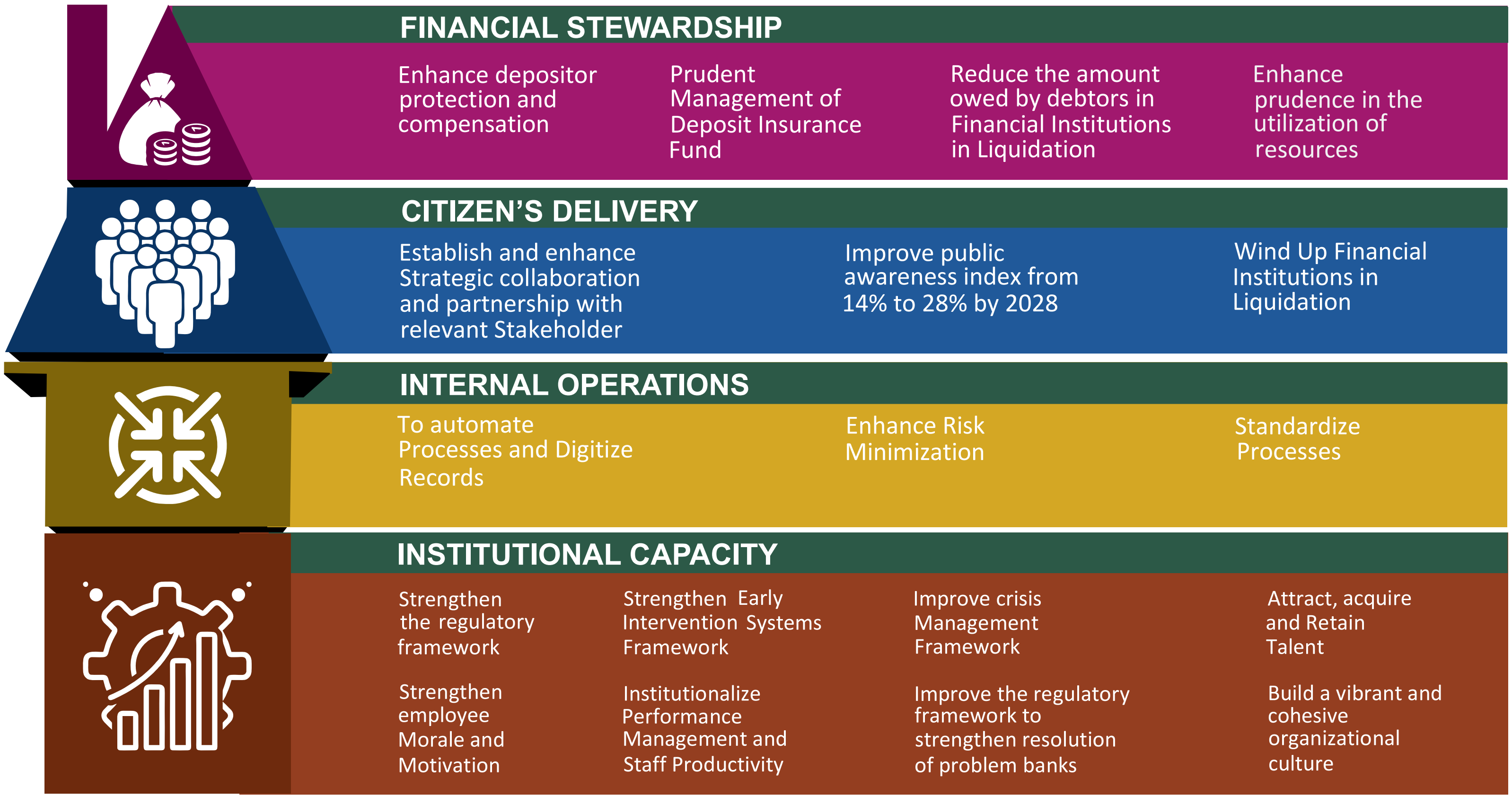
Expected output	Output Indicator	Annual Target	Quarter for the year.........			Cumulative to Date			Remarks	Corrective intervention
		Target (A)	Target (B)	Actual (C)	Variance (C-B)	Target (E)	Actual (F)	Variance (F-E)		

Table 8.3 Evaluation Reporting Template

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

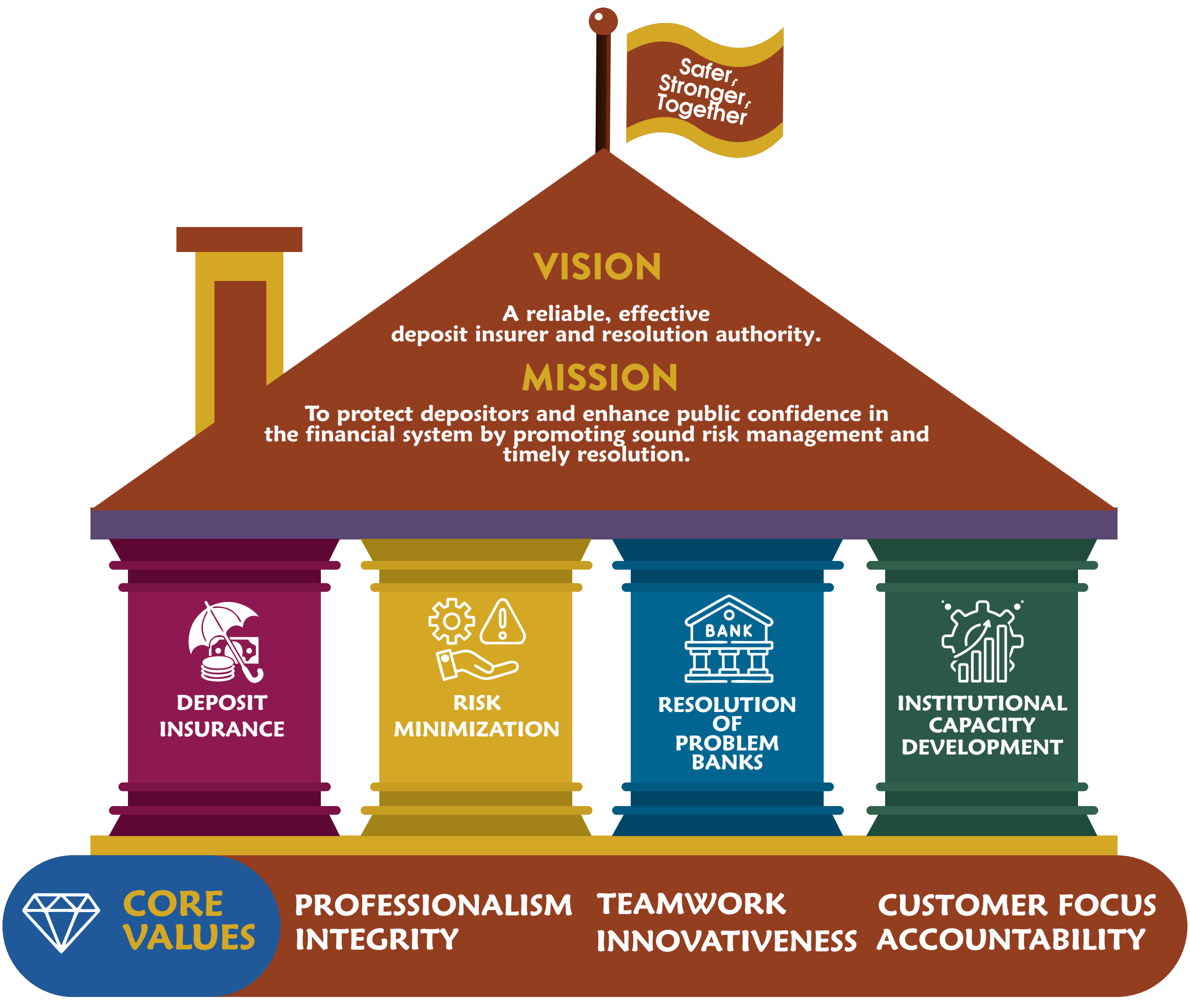
ANNEX I: KDIC STRATEGY MAP

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




OUR PROMISE TO DEPOSITORS
Timely debt recovery
Timely payment of deposits
KSH
Timely resolution of failed banks
Efficiency in complaints handling

KDIC
STRATEGY HOUSE



KDIC Kenya Deposit Insurance Corporation

Safer, Stronger, Together