



Republic of Kenya

**MINISTRY OF INVESTMENTS, TRADE AND
INDUSTRY**

STATE DEPARTMENT FOR INDUSTRY

Industry succeeds



STRATEGIC PLAN

2023– 2027

VISION

Globally competitive and sustainable manufacturing sector

MISSION

To create an enabling environment for a globally competitive and sustainable manufacturing sector

CORE VALUES

*Customer focus
Integrity
Teamwork
Professionalism
Creativity
Efficiency
Transparency
Accountability
Equity and Inclusivity
Environmental Sustainability*

FOREWORD

It is with great pleasure that I present the State Department for Industry's Strategic Plan, 2023-2027. As a State Department, we are cognizant of the crucial role that the Manufacturing Sector plays in the overall economic growth of our country. It contributes to increased production, fixed investment, exports, employment and capacity utilization. Industrial development is highlighted as strategically important for the overall economic development of Kenya. As we embark on this journey of strategic planning, we acknowledge the profound significance of our collective efforts in advancing industrial development in our country.

The Strategic Plan has been developed through a collaborative and inclusive process that engaged key stakeholders, including Industry policymakers and the private sector. The Plan reflects the aspirations and needs of our diverse and dynamic society, as well as the challenges and opportunities we face. Our collective vision is clear 'to be a middle income, rapidly industrializing country and globally competitive by 2030' where Industry is among priority sectors identified to catalyze Kenya's leap to a higher middle income economy level.

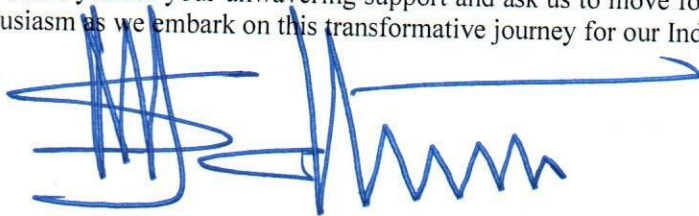
The Manufacturing Sector plays a big role in the Kenya Industrialization agenda and its aim is to increase contribution to Gross Domestic Product (GDP) to 15 percent by 2027. This will only be achieved through the implementation of various programmes, interventions and projects targeting various Bottom-Up Economic Transformation Agenda (BETA) Value Chain approaches which includes agriculture, textile and apparel, leather, construction, among others in the Industrial Sector.

The development of the State Department for Industry (SDfI) Strategic Plan provides a strategic vision to proactively address the challenges facing the sector and maps out quick wins that can be leveraged to propel our industrialization journey.

This Five-year Strategic Plan outlines our mission, goals, key result areas and the concrete steps we will take to transform our vision into reality. It identifies the key priorities that will guide our actions and underscores our commitment to improving production and value addition promotion.

The journey ahead may have challenges but our commitment to industrialization demands dedication, resilience, and innovation to sail us through. The journey requires us to adapt to changing global realities, keep pace with evolving technology, and respond to the aspirations of future generations. The SP 2023-2027 is not just a document; it is a call to action. Together, we will work tirelessly to transform our Industrial Sector.

Lastly, I thank you for your unwavering support and ask us to move forward together with determination and enthusiasm as we embark on this transformative journey for our Industrial Sector.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

HON. SALIM MVURYA, EGH
CABINET SECRETARY
MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY

PREFACE AND ACKNOWLEDGEMENT

The State Department for Industry's Strategic Plan 2023-2027 presents a coordinated and integrated approach in executing the mandate of Industrial Policy Planning and Development. This Strategic Plan (SP) has been prepared with a focus to put into action strategic interventions geared towards the achievement of the set goals as envisioned in the Kenya Vision 2030 and its MTP IV, the BETA, AU Agenda 2063, as well as the Sustainable Development Goals (SDGs). The State Department is determined to improve the Kenyan economy through ensuring that the manufacturing goals and targets are realized. Under BETA, the Manufacturing Sector envisages a 15% contribution to GDP by the year 2027 and to create at least one million jobs annually.

The SP has been aligned to the core pillars of the government agenda, namely: Healthcare; Housing and Settlement; Agriculture; Micro, Small and Medium Enterprises (MSMEs); and the Digital Superhighway and Creative Economy. The Plan articulates shared vision, mission, core values, strategic objectives, strategies that will be adopted, resource requirements, management and mobilization to realize effective implementation. The Plan recognises the strengths and opportunities for the realization of the Manufacturing Sector's potential. Analysis of the previous SP highlighted key achievements, weaknesses and threats, and identified actionable strategies. I believe that the strategies that will be adopted in this Plan will be useful in accelerating the implementation and achievement of goals set.

The fourth industrial revolution technologies have presented key opportunities for the Manufacturing Sector and other Sectors of the economy by revolutionizing traditional manufacturing processes and paving the way for advanced manufacturing techniques including adoption of robotics, automation, cybersecurity, big data analytics and additive manufacturing technologies among others. This will in turn improve the overall competitiveness, productivity and continuous improvement at the firm level.

Based on the analysis of the previous SP and the identified opportunities, SDfI will focus on pursuing the following Key Result Areas: Market Access for Manufactured Products; Product Competitiveness; Create formal and informal manufacturing jobs; Reskilling and upskilling of workers; Manufacturing Sector output; Enhancement of Value addition; Industrial research, innovation and technology development; Sustainable National Quality Infrastructure; Sustainability of manufacturing industries; and Enhanced Capacity for Service Delivery. Further, SDfI has identified strategic objectives and strategies as well as activities that will guide the implementation of the Plan over the planned period.

I wish to extend my sincere gratitude to the technical working committee for their commitment towards ensuring that this Strategic Plan conforms to the aspirations of the State Department and of the Government of Kenya. I would also like to appreciate the Heads of Directorates and key stakeholders for their valuable input towards the finalization of this document.

The implementation of this Plan will require commitment from each key stakeholder and I look forward to walking with you through the implementation of this Plan. I remain committed to the realization of the goals set herein and to the achievement of the aspirations of the Government of Kenya.



JUMA MUKHWANA, PhD., CBS
PRINCIPAL SECRETARY'
STATE DEPARTMENT FOR INDUSTRY.

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DEFINITION OF CONCEPTS AND TERMINOLOGIES

Activities: Actions with resources as inputs to generate outputs. Such activities are prerequisites for the achievement of objectives and goals.

Baseline Data: Initial measure on an indicator that serves as a reference point against which progress of activities and performance can be assessed or comparison made.

Core Values: Fundamental cultural principles or beliefs that guide the behavior and decisions of stakeholders.

Circular economy: Circularity is a practice aimed at reducing waste as much as possible while keeping a product's value intact for a longer period of time.

Fourth Industrial Revolution (4IR): The 4th Industrial Revolution refers to the new stage of transformative technologies changing industry—networked cyber and physical systems.

Green manufacturing: This is a production process that uses fewer natural resources, reduce pollution and waste, recycle and reuse materials, and reduce emissions.

Global competitiveness: Global competitiveness is the ability of a country to compete effectively in the global market. It encompasses various factors that influence a country's ability to attract investment, generate wealth, create jobs and sustain economic growth. This involves the capacity to produce goods and services that meet international standards of quality, efficiency, and innovation while improving living standards for its population.

Indicator: A specific, measurable and observable factor that is used to confirm change on a particular phenomenon.

Key Result Areas: Functional areas critical to the success. They focus resources and efforts on the most important aspects of achieving strategic goals and eventually vision.

Leadership: Ability to guide, inspire, and influence teams to achieve goals or vision. It involves making decisions, setting direction, and motivating team members work effectively

Mission: Overarching purpose for existence. It is the means through which strategic objectives, strategic goals and vision will be realized.

Monitoring: A continuous process of collecting and analyzing data to compare how well a project, program, or policy is being implemented against expected results.

Outcome: Intermediate results of activities. It is the actual change that takes place in systems and individuals of the institution due to an intervention.

Output: Immediate results of activities. It contributes to the realization of intermediate results called outcomes

Preferential Procurement Master Roll: It is a list of goods for preferential procurement by all public agencies.

Product Competitiveness: This refers to the ability of a product to meet or exceed customer expectations and to outperform competitors in the market.

Strategy: Comprehensive descriptive abstraction of an approach to achieving a strategic objective.

Strategic Issues: Opportunities and gaps emanating from the situational analysis that have to be managed in order to fulfill mandate.

Strategic Goal: General qualitative statement of what is intended to achieve in the long run. It is fundamental to the development of a strategic plan and should be set at the beginning of the planning period.

Strategic Objective: Specific, measurable, and time bound statement committed necessary for attainment of a strategic goal. It establishes performance level to be achieved on a priority issue and so measures success of a critical mission element.

Target: Desired level of performance for a performance indicator that is specific, measurable, and time bound and guides efforts and actions to attain the desired outcome.

Vision: Long term aspiration of an organization. It serves as a guiding principle for strategy development, actions taken and decisions.

ACRONYMS AND ABBREVIATIONS

A

Acquired Immunodeficiency Syndrome
AIDs · 44

Active pharmaceutical ingredients
APIs · 63

Africa Union
AU · 17

Alternative building technologies
ABTs · 64

Annual Work Plans
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Anti-Counterfeit Authority
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Buy Kenya Build Kenya
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CBET · 52

Competitive Industrial Performance
CIP · 58

Computer Numerically Controlled Machines
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Continuous Professional Development
CPD · 116

County Aggregation and Industrial Parks
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Current Good Manufacturing Practices
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D

Deputy President
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E

East Africa Community
EAC · 19

East African Portland Cement Company
EAPCC · 33

Engineering and Construction
E &C · 76

Enterprise Development Directorate
EDD · 75

Export Processing Zones
EPZs · 38

F

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Foreign Direct Investment
FDI · 47

Fourth Industrial Revolution
4IR · 56

Fourth Medium Term Plan
MTP IV · 17

G

Green House Gases
GHG · 39

Gross Domestic Product
GDP · 18

H

Heads of Departments/ Directorates
HoDs · 123

Human Immunodeficiency Virus
HIV · 44

Human Resource Management and Development
HRM&D · 33

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Industrialization Field services
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Information Communication Technology
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Integrated Financial Management Information System
IFMIS · 37
International Organization for Standardization
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Internet of Things
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K

Kenya Accreditation Services
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Numerical Machining Complex
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Common Effluent Treatment Plants
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One Village One Product
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P

Performance Contract
PC · 19
Political, Economic, Social, Technological, Environmental,
and Legal
PESTEL · 28
Pre-Export Verification of Conformity
PVOC · 36
Public Finance Management
PFM · 41
Public Private Partnerships
PPP · 69
Public Relations
PR · 89

Q

Quality Infrastructure
QI · 47

R

Research and Development
R & D · 46
Research, Manufacturing and Industrial Policy
RMIP · 33
Rivatex East Africa Ltd
REAL · 33

S

Scrap Metal Council
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Trainer of trainers
ToT · 111

U

United Nations
UN · 21
United Nations Framework Convention on Climate Change
UNFCCC · 29

V

Value Addition
VA · 46

EXECUTIVE SUMMARY

The Strategic Plan (SP) for the State Department documents the Department's Strategic Direction covering the period 2023-2027. It was realized through a consultative and participatory process. The Plan was prepared as per the Revised Guidelines for Preparation of Fifth-Generation Strategic Plans, 2023-2027 provided by the National Treasury and Economic Planning. The Plan builds on the achievements of the previous plans and takes cognizance of the challenges experienced during the implementation of the previous Plan. The Plan will seek to ensure that the government's aspirations and commitments as outlined in the Bottom-up Economic Transformation Agenda (BETA) are prioritized. This will in turn make the country a regionally and globally competitive manufacturing hub. It is a statement of intent for the State Department towards realization of the Fourth Medium Term Plan (MTP IV) 2023 - 2027 and Bottom-Up Economic Transformation Agenda priorities under the Manufacturing Sector. In addition, the SP is aligned to the East Africa Community Vision 2050 (EAC Vision 2050), Africa Union Agenda 2063 (AU Agenda 2063) and Sustainable Development Goals (SDGs).

The State Department intends to: Enhance Global Product Competitiveness and market access of manufacturing products; Raise the Manufacturing Sector's contribution to GDP from 7.8% to 15% by 2027; Increase uptake of industrial research outputs, innovations, technology transfer, commercialization and IPR; Enhance national quality infrastructure; Enhance institutional capacity, as well as create 1 million jobs annually. This will be achieved through upholding the following values: Customer focus; Integrity; Teamwork; Professionalism; Creativity; Efficiency; Transparency; Accountability; Equity and Inclusivity; and Environmental Sustainability.

During the implementation of the previous SP, the State Department realized the following key achievements: Improved ranking under the World Bank Ease of Doing Business; Increased provision of financial grants and business development services; Established a number of physical and industrial infrastructures; Created 9,875,700 jobs (in both formal and informal sectors); Manufacturing Sector's contribution to Gross Domestic Product (GDP) was 7.8 percent. There were a number of challenges faced during the implementation of the previous plan and they include but not limited to the following: High cost of energy; Unfavorable Business Environment; Slow adoption of new technologies; Inadequate Infrastructure; Unavailability of Industrial Land; Inadequate Financial Resources among others.

During the plan period, the State Department will address the following Strategic Issues: Global Competitiveness; Employment Creation; Manufacturing Sector Contribution; Quality Infrastructure; Sustainable Manufacturing; and Governance and Accountability. The Strategic Plan has identified the following ten (10) Key Results Areas (KRAs): Market Access for Manufactured Products; Products Competitiveness; Create formal and informal manufacturing jobs; Reskilling and upskilling of workers; Manufacturing Sector output; Enhancement of Value addition; Industrial research, innovation and technology development; Sustainable National Quality Infrastructure; Sustainability of manufacturing industries; and Enhanced Capacity for Service Delivery.

In order to ensure full implementation of the Plan, the department will develop Annual Work Plans and Budgets clearly stipulating what is to be done in each financial year, implement the Performance Contracts and develop a well-structured coordination framework.

Further, The State Department will lobby for additional funding from the Government for development/improvement of its infrastructure; attract technical and financial support from development partners and private sector players as well as enhancing its A- in- A generating activities during the Strategic Plan period.

CHAPTER ONE: INTRODUCTION

Overview

This chapter gives an overview of Strategy as an imperative for organizational success, the context of Strategic Planning, the history of the State Department for Industry as well as the methodology adopted in the development of the Strategic Plan. Further, it describes the different guiding policies that drive the National Industrialization Agenda.

1.1 Strategy as an Imperative for organizational success

This Strategic Plan has been prepared in line with the Fourth Medium Term Plan (MTP IV) 2023 - 2027 and aligned with the national development agenda and policy priorities as espoused under the Bottom-up Economic Transformation Agenda (BETA). The Plan forms the basis for identification of Programmes, Projects, Annual Work Plans (AWPs), Budgets, Performance Contract (PC) targets, as well as linking with departmental and individual performance appraisals. These will be achieved through the implementation of clearly defined goals and objectives. The success of the State Department is anchored on provision of efficient industrial and quality infrastructure, creation of employment, increased export of locally manufactured products/merchandise, increased manufacturing sector contribution to GDP, increased manufacturing sector's real gross value added and enhanced industrial skills, research and technology. The Plan has identified strategic objectives whose implementation will enhance job creation and increase the Manufacturing Sector's contribution to GDP. Further, the Plan focuses on building human capital and institutional capacity and development of effective industrial policies. The State Department is therefore committed to appropriate allocation and use of resources, mitigation against internal and external risks and adaptation to changes in order to deliver its mandate in a sustainable manner.

1.2 The context of strategic planning

The Strategic Plan is developed in consideration of National, Regional and International frameworks on development priorities. These frameworks include: The Constitution of Kenya, Kenya Vision 2030, Fourth Medium Term Plan 2023-2027, The Government Priority- BETA, East Africa Community (EAC) Industrialization Strategy, East Africa Community Vision 2050, African Union Agenda 2063 and United Nations 2030 Agenda of Sustainable Development.

1.2.1 United Nations 2030 Agenda for Sustainable Development

SDGs were adopted by the United Nations (UN) General Assembly in September 2015 to succeed the Millennium Development Goals (MDGs). The SDGs build on the success of the MDGs and aim to go further to eliminate all forms of poverty. The goals call for action for all countries to put people at the core of development, promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build Economic Growth and

addresses a range of social needs including education, health, job opportunities while tackling climate change and environmental protection

The State Department for Industry is committed to the achievement of the SDGs and will focus on the following SDGs:

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all. SDfI targets to promote the design, development and manufacturing of green products that are organic, ecological, recyclable and energy saving. This shall entail: attracting investments in the manufacture of green products; capacity building of MSMEs and manufacturing enterprises on production of green products; and adoption of green manufacturing concepts in the production processes.

Goal 8: Promoting sustained, inclusive and sustainable Economic Growth, full and productive employment and decent work for all. In order to achieve this goal, the State Department targets to create over one (1) million additional jobs annually; enhance value addition by harnessing existing agricultural, natural and forestry resources; and raise manufacturing contribution to GDP from 7.8% to 15% by end of plan period.

Goal 9: Building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. The State Department intends to address this goal by: Increasing access to diversified and affordable range of industrial financial products and services to industries in agro-processing; Manufacturing, pharmaceutical, housing and settlement and, digital services; Undertake construction/development of County Aggregation and Industrial Parks in all the Forty Seven (47) Counties in Kenya to enhance the Manufacturing Sector's contribution to GDP; Promote industrial research, development and transfer of modern and green manufacturing technologies to increase productivity, efficiency and create new products, processes and industries.

Goal 13: Taking an urgent action to combat climate change and its impacts. SDfI targets to: promote environmentally friendly manufacturing and adoption of a circular economy, reducing pollution and waste, recycling and reusing materials (circular economy), and moderating emissions in their production processes.

Goal 17: Promoting the development, transfer, dissemination and diffusion of environmentally sound technologies by building the capacity of MSMIs and manufacturing enterprises in producing green products; and adopting the green manufacturing concept (green technologies and practices) using fewer natural resources.

1.2.2 African Union Agenda 2063

The Plan is aligned to Africa's Agenda 2063 which is the blueprint and master plan for transforming Africa into the global powerhouse by 2063. Aspiration 1 of the AU Agenda 2063 is to have a prosperous Africa based on inclusive growth and sustainable development. One of the priority areas under this aspiration is promotion of industrialization and value addition with the goal of transforming African economies. SDfI is committed to the achievement of the AU Agenda 2063 by aspiring to a prosperous Africa based on inclusive growth and sustainable development on promoting industrialization and value addition.

1.2.3 EAC Industrialisation Strategy and East Africa Community Vision 2050

The rationale for the Vision 2050 is to provide a catalyst for the region to enhance transformation for growth and development and move the community to a higher income cohort and subsequently achieve an upper middle income status. By creating a conducive environment for investment, coupled with effective institutional capacities, the region will expand its production capacity and widen its exports, both by composition and value. With effective resource management, it is envisaged that the East African Community will be transformed into an upper – middle income region within a secure and politically united East Africa based on the principles of inclusiveness and accountability.

The Vision has identified six key pillars which include: Infrastructure development; Industrialization; Agriculture, Food Security and Rural Development; Environment and Natural Resource Management; Tourism, Trade and other services development; and Good Governance, Defence, Peace and Security. Under the pillar of industrialization, the EAC Vision 2050 seeks to leverage industrialization for structural transformation and improved intra-regional and global trade. The goal is to enhance structural transformation of the industrial and manufacturing sector through value addition and product diversification based on comparative advantage for regional competitive advantage. The vision also underscores the importance of the leather and leather product; Cotton and textiles; and Fruits and vegetables (includes potato & nuts) sectors which are part of the agro-industry. Other critical sectors under EAC that are being focused on are Automotive and Pharmaceuticals all of which are identified as strategic sectors for the EAC partner states, Kenya being among them. Therefore, the State Department's Strategic Plan seeks to develop the leather sector and promote value addition, and agro-processing which is its mandate. This will help to promote product competitiveness and expand the market base as well as create employment opportunities and in the long run increase the Manufacturing Sector's average contribution to GDP.

1.2.4 Constitution of Kenya

The Constitution is the supreme law of the Republic and binds all persons and state organs. Article 46(1) of the Constitution on Consumer Rights provides the following rights to consumers: Right to goods and services of reasonable quality; to the information necessary for them to gain full benefit from goods and services; and compensation for loss or injury arising from defects in goods or services. The goods and services refer to the ones offered by public entities or private persons. The end result of this provision is that both public entities and private persons have an obligation to provide goods and services that are of the highest standards to its clients. The State Department shall endeavor to ensure that there is no infringement to consumer rights.

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

The Kenya Vision 2030 aims at creating “a globally competitive and prosperous nation with a high quality of life by the year 2030”. It also aims at transforming Kenya into “a newly industrializing, middle-income country, providing a high quality of life to all its citizens in a clean and secure environment”. The Vision is being implemented through successive Five-year Medium Term Plans (MTPs). The Fourth Medium Term Plan themed “Bottom-up Economic Transformation Agenda for Inclusive Growth” focuses primarily on the core pillars of the Government Development Agenda under BETA namely: Agricultural Transformation; Affordable Housing and Settlement; Health Care; Digital Superhighway and Creative Economy. Manufacturing plays a critical role in each of those pillars. It has identified the following sectors to aid in ensuring it achieves its strategic goals: Finance and Production; Infrastructure; Land and Natural Resources; and Governance and Public Administration.

The State Department for Industry drives the Manufacturing sub sector which is under the Finance and Production Sector. In the Medium Term Plan, 2023-2027, focus will be on promotion of growth and development of industries as well as promotion of value addition while ensuring quality assurance and standards. The State Department will be implementing a number of programmes in MTP IV and BETA which include the following value chains: Leather and leather products; Dairy; Meat; Coffee; Tea; Edible oils; Textile and Apparel; Rice; Agro-processing; Pharmaceuticals; and Construction and Building materials.

The enabler programmes include: County Aggregation and Industrial Parks (CAIPs); Development of small, medium, and large industries; Manufacture of machinery, automotive, equipment and parts; Manufacture of electrical and electronic products; Integrated iron and steel mill plant, scrap metal and mineral value addition; Industrial research, technology, and innovation; Skills enhancement for industrialization; Pharmaceutical Development Programme; and Promotion of green manufacturing practices. The programmes to enhance market access,

diversification and fair trade practices include: Accreditation and standards; and Protection of industrial property rights - enhancing patent, utility models and protection of industrial designs.

1.2.6 Sector policies and laws

The policies and legislations that guide the operations of the State Department are: National Industrialization Policy (NIP) 2012 - 2030; Buy Kenya Build Kenya (BKBK) Policy /Strategy - Preferential Procurement Master Roll No.1 of 2022; KIRDI Act, 2022; Legal Notice No. 84 of 2019 on Tax Procedures of unassembled motorcycles issued; National Automotive Policy, Sessional Paper No. 1 of 2022; Standards Act, 1973; Kenya Accreditation Act, 2019; Trade Marks Act, CAP 506 Laws of Kenya; Scrap Metal Act, 2015; and Industrial Property Act, 2001.

1.3 History of the State Department for Industry

The history of Industry development in Kenya can be traced back to pre-colonial times when production was undertaken through cottage industries and this continued for some time after independence. After independence, Industry coordination was managed under the Ministry of Commerce and Industry which was mandated to promote industrial development. One of the strategies used by this Department then was import substitution which was to promote rapid growth of industry, ease balance of payment pressures, increase participation of indigenous people in the sector, and higher income employment. The country enjoyed a considerably higher rate of industrial growth during the first decade of independence with the manufacturing sector growing at an average of 8.0 per cent.

In 1998 the Department for Industry was placed under the renamed Ministry of Industrial Development. In 1999, the Ministry was renamed Ministry of Trade and Industry, Tourism, and East African Cooperation. The Ministry's names have evolved until promulgation of the 2010 constitution when it was renamed Ministry of Industrialization and Enterprise Development. In 2013, the State Department for Industry (SDfI) was established through the Executive Order No. 1 of April, 2013 under the Ministry of Industrialization and Enterprise Development which was further revised in 2016 to the Ministry of Industry, Trade and Cooperatives. In 2020, the Ministry name was renamed to Ministry of Industry, Trade and Enterprise Development.

Currently, the SDfI has been established through the Executive Order No. 1 of January 2023, and later revised in November 2023 and placed under the Ministry of Investments, Trade and Industry (MITI). The State Department is tasked with the overarching mandate of facilitating and promoting industrialization as the country strives to realize its long-term development. SDfI has nine (9) State Corporations, one (1) Training Institution and two (2) tribunals.

1.4 Methodology of Developing the Strategic Plan

This Strategic Plan was prepared through a participatory approach with a systematic process involving the following:

1.4.1 Initiation of Strategic Planning Process

The SDfI constituted a Strategic Plan technical committee composed of representatives from all Directorates and Units. The team was tasked with overseeing successful development of the Strategic Plan. The Terms of Reference to guide in the preparation of the plan were developed.

1.4.2 Strategic Plan Development

This phase entailed the review of documents relevant to the operations of the State Department. The Technical Committee reviewed the Strategic Plan 2018-2022 as per the Revised Guidelines on the Preparation of the Fifth Generation Strategic Plan 2023-2027, incorporating MTP IV and the Government Agenda (BETA). After reviewing the implementation of the previous Plan, the Committee developed a strategic framework to guide the development of this Plan. Review of internal documents formed the basis for appraising the implementation of the previous Strategic Plan and initiatives. These reviews aided in formulation of new initiatives anchored on regional and global best practices.

Key stakeholders were involved in the process to ensure that the Strategic Plan addressed their expectations and get insights on how their needs would be met. This was carried out through physical meetings and aided in the development of the specific strategies, strategic objectives and targets for the next five years.

1.4.3 Strategic Plan Validation, Finalization and Dissemination

The draft Strategic Plan was circulated to the top management and other key stakeholders who reviewed it and provided inputs, which were incorporated. Finalization and dissemination involved incorporation of stakeholders' inputs, editing, approval by the PS and finally by the State Department for Economic Planning. The Strategic Plan was launched and disseminated to the public in readiness for implementation.

CHAPTER TWO: STRATEGIC DIRECTION

Overview

This Chapter presents the mandate, vision, mission, strategic goals, core values and quality policy statement that will guide the State Department to implement its strategies for the period 2023-2027.

2.1 Mandate

The mandate of the State Department for Industry as anchored in the Executive Order No.2 of November, 2023 is to:

- i. Promote and Facilitate Domestic and Foreign Investments;
- ii. Investment policy and attraction;
- iii. Industrial Policy and Planning;
- iv. Buy Kenya - Build Kenya Policy and Strategy;
- v. Promote Standardization in Industry and Quality Control;
- vi. Kenya Property Rights Policy (Patents, Trade Marks, Service Marks, and Innovation);
- vii. Promotion of Value Addition and Agro Processing;
- viii. Promotion, Development and Oversight of Aggregation and Industrial Parks;
- ix. Textile Sector Development;
- x. Leather Sector Development and Promotion of Value Chain;
- xi. Oversight and Regulation of the Scrap Metal Industry;
- xii. Industrial Training and Capacity Development;
- xiii. Combat Counterfeiting, Trade and Other Dealings in Counterfeit Goods; and
- xiv. Oversight, Administration and Enforcement of the Local Content Policy.

2.2 Vision Statement

Globally competitive and sustainable Manufacturing Sector.

2.3 Mission Statement

To create an enabling environment for a globally competitive and sustainable Manufacturing Sector.

2.4 Strategic Goals

1. Improved product competitiveness
2. Increased employment opportunities
3. Enhanced skills development for Industry
4. Increased manufacturing sector output
5. Strengthened national quality infrastructure
6. Enhanced adoption of Green Manufacturing and Circular Economy
7. Strengthened capacity for service delivery

2.5 Core values

Values are an integral part of an organization's culture, and they create a sense of identity, belonging and purpose. To this end, the State Department seeks to uphold the following core values:

1. **Customer focus:** We are committed to upholding the highest standard in our service delivery to enhance customer satisfaction;
2. **Integrity:** We are committed to honesty, impartiality and transparency while delivering services;
3. **Teamwork:** We will deliberately nurture team spirit, collaboration, consultation and adopt participatory approach in discharging ministerial mandate;
4. **Professionalism:** We will maintain high level of adherence to set standards through continuous competency development;
5. **Creativity:** We will continuously be open and proactive in seeking better, acceptable and efficient methods of production and service delivery;
6. **Efficiency:** We will be guided by operational, rationalization and cost saving measures;
7. **Equity and Inclusivity:** We will mainstream gender, youth and special groups' issues in the distribution of resources, responsibilities and opportunities in the Ministry;
8. **Accountability:** We are committed to taking responsibility for actions, decisions and outcomes; and
9. **Environmental Sustainability:** We are committed to promoting sustainable industrial development and adoption of environmentally friendly manufacturing practices.

2.6 Quality Policy Statement

The State Department is committed to delivering the highest quality of standards in all our products and services for improved quality of life of citizens. We are committed to cultivating a work environment that promotes teamwork, creativity, loyalty, motivation, commitment and enthusiasm amongst our staff and stakeholders. In pursuit of this commitment, SDfI shall comply with all relevant customer, statutory and regulatory requirements and improve on her effectiveness by establishing, implementing and continually improving a quality management system.

CHAPTER THREE: SITUATIONAL AND STAKEHOLDER ANALYSES

Overview

This Chapter discusses the situational and stakeholder analyses, providing a comprehensive analysis of the external and internal environments that influence the strategic decisions and performance. The Chapter starts by examining the significance of the external environment both macro and micro. These analyses are facilitated by PESTEL for macro-environment and SWOT for institutional internal environment. The chapter also focuses on internal variables that include value chain activities, resource capabilities, competences, and organizational culture. Governance structures, administrative arrangements, and internal business processes are examined to identify strengths and weaknesses. The analysis extends to past performance evaluation, uncovering key achievements, challenges faced, and lessons learned from the previous Strategic Plan. Additionally, the Chapter underscores the importance of stakeholder analysis, encouraging the identification and understanding of stakeholder roles, expectations, and relationships with the State Department for Industry.

3.1 Situational Analysis

Situational analysis comprises external and internal environment, summary of opportunities and threats, internal environment, summary of strength and weaknesses and analysis of past performance. This is discussed below.

3.1.1 External Environment

The external environment is a complex interplay of macro and micro factors including industry dynamics, market intricacies, global megatrends, labour migrations and shrinking resource bases. Understanding these components holistically equips the State Department with the insights needed to make informed decisions and adapt to the ever-changing landscape.

3.1.1.1 Macro Environment

A comprehensive analysis of the macro-environment was conducted using the Political, Economic, Social, Technological, Environmental and Legal (PESTEL) framework as discussed below:

Political: Political factors include changes in government policies and priorities, leadership, foreign trade policies, resistance to change, tax policy, regulation and deregulation trends and public expectation. The government manifesto has put more emphasis on the establishment, promotion and development of industry and promotion of value addition in all products. Geo-political dynamics, both within the region and globally, can impact the State Department's work. Political realignments with neighboring countries or at the international scenes have a direct and indirect impact on the country's industrialization efforts. At national level, the State Department benefits from political goodwill and visionary leadership at national and county levels. This

support provides a conducive environment for the State Department to implement its programmes, projects and initiatives effectively.

Economic: Economic factors are evident in the form of per capita income, unemployment rate, tax policies, poverty levels and inflation. Citizens with high per capita can afford the cost of goods and services and vice versa. High inflation affects disposable incomes making manufacturing expensive and the cost of products beyond reach as the cost of goods and services skyrockets. Exchange rates have an impact on production by the industry by increasing the cost of imports used in production.

Social: Establishment of industrial enterprises is a major contributing factor to urbanization leading to accelerated demand for industrial land, houses and other social infrastructure. The State Department collaborates with the State Department for Lands and Physical Planning in setting aside sites for industrial development as enshrined in the Kenya National Spatial Plan (2015-2045). Untreated effluent from industrial enterprises pollute the natural water resources available for use by the general population. The State Department will support the establishment of Common Effluent Treatment Plants (CETP) within industrial parks for treatment of effluent.

Technological: The fourth industrial revolution covering the following tenets: Internet of Things (IoT); Robotics; Artificial Intelligence (AI); Big Data; and Advanced Manufacturing will play a critical role in the country's Industrialization efforts. The State Department will encourage the adoption of fourth industrial revolution technologies by industries, MSMEs and firms in order to remain competitive, increase productivity and participate in global supply value chains. Use of obsolete technology not only leads to low productivity but also implies failure to harness technology to improve on efficiency in productivity and leads to manufacturing firms operating at a relatively high unit cost of production and consequently remaining un-competitive.

Environmental: Conglomeration of industrial establishments leads to degradation of land through industrial pollution if not well planned and managed. The State Department will promote sustainable industrial development with a special focus on adoption of renewable energy and value addition of blue economy resources. Further, the State Department will develop a Green Manufacturing Strategy that will promote clean, sustainable industrial practices thus making the country become a hub for green manufacturing investment and innovation.

The United Nations through United Nations Framework Convention on Climate Change (UNFCCC) outlines focus areas that countries need to address which include: renewable energy, management of cities and urban settlements, land, blue economy, food security and social livelihoods.

Legal: The State Department and its State Corporations have various legal instruments to guide in delivery of its mandate. Timely enactment of new laws and regulations and review of the existing laws is essential for policy implementation and regulatory enforcement in the ever changing regulatory environment.

Despite the State Department's effort to ensure there is adequate legislation, delays in the passage of some legislative policies have hindered implementation of various initiatives effectively.

3.1.1.2 Micro- Environment

The micro-environment is influenced by key variables including labor markets, trade unions, customer profiles, creditors, and suppliers. These variables are discussed as follows:

Labour Markets: The supply of and demand for skills plays a significant role in shaping the industrial microenvironment, which encompasses factors like workforce quality, labor costs, employee relations, and productivity. A skilled workforce can drive innovation and efficiency in industries. Labour costs impact production expenses and pricing strategies. Moreover, robust employee relations and labour laws affect workplace culture, employee morale, and turnover rates, impacting productivity and operational continuity.

Trade Unions: Trade unions play a role in shaping the industry by advocating for workers' rights and contributing to the stability of labor relations. Their input influences policy discussions, industry practices, and the overall production and value promotion. Collaborative efforts with trade unions help bridge the gap between demands by employees and what the employers can offer ensuring a harmonious working environment. In addition, trade unions contribute to a more balanced power dynamic between employees and employers, which can lead to a more resilient and productive industrial sector in Kenya.

Customer Profiles: Consumer profiles play a critical role in shaping the industrial micro-environment in Kenya hence affecting how businesses strategize and operate within the market. A consumer profile encompasses demographic information, buying behavior, preferences, income levels, education, and cultural influences. Kenyan industries need to understand these profiles to tailor their products, services, and marketing strategies to meet the specific needs and desires of their target audience. Shifts in consumer profiles, such as increased internet penetration and a growing middle class, drive industries to adapt by developing innovative products, enhancing customer experiences, and employing digital marketing techniques. Consequently, a deep understanding of consumer profiles in Kenya allows businesses to thrive in a competitive landscape by aligning their offerings with the evolving demands of their customers.

Creditors: Financial considerations are essential for the Department's functioning. Engaging with creditors, such as financing institutions, plays a role in securing resources for program development, infrastructure improvement, and re-engineering of the industry sector. Effective financial management ensures that SDfI can sustain its initiatives and effectively deliver on its mandate.

Suppliers: Suppliers are an essential part of the micro environment as they provide the necessary resources, materials, or components, equipment, raw material, etc. to maintain their production and deliver its services. Suppliers can influence the cost structure of the industry and are hence a

major force. Collaborating with reliable suppliers ensures that industries have access to adequate and modern supplies and inputs necessary for production.

3.1.2 Summary of Opportunities and Threats

This section provides a concise assessment of the external factors that can either positively or negatively impact the State Department's ability to achieve its Strategic Objectives. It also presents a summarized analysis of the opportunities that arise from favorable external conditions, such as economic growth, technological advancements and supportive policies. These opportunities highlight potential areas for growth, development, and enhanced industrial performance.

Opportunities and threats are as summarized in Table 3.1.

Table 3.1: Summary of Opportunities and Threats

Environmental factor	Opportunities	Threats
Political	• Political goodwill • Good working environment • Increased demand for the State Department's services at the County level • Strong collaborative framework with development partners • Regional and international cooperation	• Changes in government Policies /priorities • Delay in approval of the policies
Economic	• Global stability • Favorable economic growth. • Regional trading blocs • Partnerships and collaborations • Budgetary allocations • Liberalization of markets • Effective utilization of resources • Shifts in the geopolitical environment	• Inadequate resources for implementation of projects • Emergence of global economic crisis(shocks) • Unfavorable business environment • Inflation • Increased cost of goods and services required for industry • Depreciation of the shilling against the international currency • Increased substandard goods/products • Fluctuation in interest rates • Increased taxation
Social	• Creation of green products and adoption of environmentally friendly processes	• Emergence of pandemics • Consumer activism • Change of Consumer preferences

Environmental factor	Opportunities	Threats
	• New marketing channels (Social media) providing manufacturers with a platform to engage with customers directly • A diverse and inclusive workforce that drives innovation and creativity in manufacturing • Enabling Professional interactions	• Shortage of skilled workers • Overdependence and addiction to social media and online entertainment
Technological	• Advanced technology in production • Improved service delivery • Transparent, reliable and cost-effective services • Technological innovations • Enhanced global learning and accessibility to innovation and technology • Increased employment opportunities in ICT sector and creative economy • Increased IPR registration	• Inadequate technological know-how/skills • Technological obsolescence • Shortage of industrial skills • Service providers system failures. • Accumulation of E-waste • High cost of maintaining and updating ICT infrastructure, software, and devices • Online harassment and cyberbullying
Environmental	• Adoption of environmentally friendly practices by Manufacturing companies • Access to new markets for ecofriendly products • Governments incentives for implementing environmental regulations and offering incentives for sustainable practices	• Climate change • Tightened regulations by the government to combat climate change and environmental degradation increasing increase compliance costs • Land subdivision for agricultural raw material production
Legal	• Existence of legal frameworks for protecting manufacturers	• Litigation • Penalties /Court Awards • Delayed public policy approvals. • Low compliance with the industrialization policies and regulations • Delays in passing of legislative laws • Infringement on intellectual property rights

Environmental factor	Opportunities	Threats
		● Gap in registration, regulation and monitoring of industries – steps to establish an industry ● Procedure of guiding the establishment of industries – regulatory burden
Ecological	● Eco-friendly manufactured products ● Innovations in climate change mitigation and adaptation interventions	● Adverse climate change

3.1.3 Internal Environment

The internal environment of the SDfI sector is characterized by its governance and administrative structures, internal business processes, and available resources and capabilities. In terms of governance and administrative structures, the sector's leadership and organizational framework play a pivotal role in shaping policy direction and decision-making. The sector's resources and capabilities significantly influence its operational efficiency and capacity to deliver promotion of industry and value addition.

3.1.3.1 Governance and Administrative Structures

The State Department's organization structure and mandate, including its associated Semi-Autonomous Government Agencies (SAGAs) is well defined by the Executive Order No. 2 of November 2023.

The governance and administrative structures of the SDfI encompass a hierarchical framework led by the Cabinet Secretary. The State Department led by the Principal Secretary operates under the Ministry of Investment, Trade and Industry and is tasked with formulating policies, strategies, and regulations for the Industry Sub Sector. The organizational structure provides for an Industrialization Secretary who is the head of the technical directorates. Below the Secretary are seven (7) technical directorates namely: Agro-Industries; Chemicals and Mineral Industries; Enterprises Development; Industrial Field Services (IFS); Kenya Industrial Training Institute (KITI); Engineering and Construction (E&C); and Research, Manufacturing and Industrial Policy (RMIP). The other functions are captured under the Administration division, Human Resource Management and Development (HRM&D), Finance, Accounts, Supply Chain Management (SCM), Central Planning and Project Monitoring Department (CPPMD), and Public Relations and Communication. The Internal Audit reports functionally to the CS and administratively to the PS. Further, there are 10 regional offices each covering a cluster of counties. The State Department is supported by Agencies to deliver on its mandate. These include: East African Portland Cement Company (EAPCC); Kenya Bureau of Standards (KEBS); Kenya Accreditation Services (KENAS); Rivatex East Africa Ltd (REAL); Numerical Machining Complex (NMC); Kenya Industrial Research and Development Institute (KIRDI); Kenya Industrial Property Institute (KIPI); Scrap Metal Council (SMC); and Anti-Counterfeit Authority (ACA). The State Department has established policies and regulations to strengthen Industrialization and the Manufacturing Sector's efficiency and effectiveness.

3.1.3.2 Internal Business Process

Several milestones have been made in the streamlining of internal business processes such as automation of business processes. However, red tapes in procurement processes, inadequate modern technological facilities and equipment as well as inadequate ICT infrastructure has the potential to pose challenges to the SDfI. To enhance efficiency and effectiveness in service

delivery, the State Department has analyzed and documented working guidelines, operating manuals and procedures that offer consistent norms and standards in the work environment.

3.1.3.3 Resources and Capabilities

To execute its mandate, the State Department requires high investments in both human and financial resources. Conducting a resource-based and capabilities analysis is essential for developing a clear strategic direction. This analysis helps identify its strengths and weaknesses, guiding strategic decisions and resource allocation in the State Department and reviewing analysis as circumstances change and new opportunities arise. Though the State Department has a pool of well trained, competent and skilled technical and non-technical staff to implement its mandate, it still has a shortage of staff at the headquarters and field offices.

In order to ensure efficiency and effectiveness in service delivery, SDfI will continue optimizing human resources capacity by focusing on recruitment, training, development and talent retention.

3.1.4 Summary of strengths and weaknesses

Based on analysis on internal environment, a summary of strengths and weaknesses of the State Department is shown in Table 3.2

Table 3.2: Summary of strengths and weaknesses

Factor	Strengths	Weaknesses
Governance and Administrative structures	• Proactive leadership and functional management structure • Competent and committed staff • Conducive working environment • Existence of legal and institutional frameworks • The existence of specialized agencies lending substantial support for evidence-based policy formulation, planning, and budgeting • Well-established administrative systems ensuring efficient operations • Transparent decision-making processes fostering accountability • Robust communication networks with industry and stakeholders • Continuous professional development of staff	• Slow implementation of existing policies • Weak succession management • Inadequate investment in continuous professional development • Bureaucratic hurdles slowing down decision-making processes • Insufficient mechanisms for gathering and incorporating stakeholder feedback • Challenges in keeping up with technological advancements in administrative processes
Internal Business Process	• Digitalization of services • Reliable standards for service delivery • Adherence to best practices • Supportive policies • Compliance with regulatory bodies	• Low investment in industrial research and development • Inadequate integration of technology into internal processes • Insufficient mechanisms for timely identification and resolution of operational inefficiencies • Bureaucratic processes and procedures
Resources and Capabilities	• Enhanced effectiveness and efficiency in operations • Competent human resource • Regular budgetary allocation • Strategic partnerships with industry.	• Inadequate human capital • Inadequate financial resources • Inadequate office space and equipment • Lack of accurate and timely data • Inability to embrace modern technological changes

3.1.5 Analysis of Past Performance

The following section highlights the key achievements realized by SDfI during implementation of the Strategic Plan (2018-2022).

3.1.5.1 Key Achievements

The Sector's overall goal was to increase its contribution to Gross Domestic Product (GDP) to at least 15 percent within the period. However, this target was not achieved but rather registered a declining trend from 8.4 percent in 2018, 7.9 in 2019, 7.6 in 2020, 7.4 in 2021 and 7.8 percent in 2022. In FY 2018/2019, the sector registered an improvement from 0.2 percent to 3.6 percent, thereafter, registering a decline from 3.6 percent to (0.1 percent) with 2020/2021 being the worst hit due to the effects of COVID-19. However, the level of output from the Manufacturing Sector has been steadily rising over the last five years with significant increment registering after 2020. In FY 2019, the Sector registered an improvement from 0.2 percent to 3.6 percent, thereafter, registering a decline from 3.6 percent to (0.1 percent) with 2021 being the worst hit due to the effects of COVID-19. The increase in 2022 was due to increased output in the following sub-sectors: Motor Vehicle; Trailers and Semi-Trailers; processing and preservation of fish; and basic metal products. Despite increased production and output in select sub-sectors, targeted growth was not met due to registered declines in the volume of outputs in the processing of tobacco and key agro-processing sub sectors such as animal and vegetable oils, dairy products, grain milling and prepared animal feeds.

The State Department's Strategic Plan (2018-2022) under review focused on six (6) Key Result Areas (KRAs) and Six (6) Strategic Objectives (SOs). The Key Result Areas were:

Global competitiveness: In a bid to create an enabling business environment for the private sector, Kenya registered an improved ranking under the World Bank Ease of Doing Business Index from position 80 in 2018 to 56 in 2021 due to re-engineering of Government processes and enactment of 13 Acts of Parliament and 45 subsidiary legislations. Under the Global Competitiveness Index that analyzes twelve pillars, Kenya's position dropped from 93 out of 140 in 2018 to 95 out of 141 in 2020.

Contribution to Economic Growth: The Government also put in place initiatives such as: operationalization of One Stop Centre for investors at Kenya Investment Authority, introduction and enhancement of various online Government services (Case Management System Single Windows portal, Pre-Export Verification of Conformity (PVOC) system, e-opportunities and e-regulation portal for investors) and launch of the Kenya Investment Policy.

Industrial Growth and Development: Successful implementation of the Kenya Industrial Transformation Program (KITP) that aimed at boosting local production, expanding local and regional markets, and taking advantage of the global niche markets. Implementation of the Buy

Kenya Build Kenya Policy, the Local Content Policy, the Special Economic Zones Policy and Act among led to the growth of the manufacturing sector.

In order to promote value addition in the industrial sector and enhance Economic Growth in the Country, a number of physical and industrial infrastructures were established. These include: Modernization of Numerical Machining Complex (NMC's) Foundry Plant and Computer Numerically Controlled Machines (CNCs); Fabrication Workshop; Development of Athi River Textile hub and related infrastructure; establishment of SEZs (Dongo Kundu and Naivasha), Cotton Development Subsidy (RIVATEX) and Extension Support; and Construction of Industrial Research Laboratories (KIRDI). These establishments have played a critical role in enhancing industrial research, technology development and transfer and hence improving product designs and promoting product innovations.

To further increase productivity and competitiveness, KIRDI and Kenya Industrial Estates (KIE) provided incubation and common user facilities to 1,292 MSMEs, KEBS increased the number of MSEs valid permits for products certified from 3,076 to 6,491, KIPi registered 30 IPRs and sensitized 940 SMEs. Other initiatives for efficient service delivery included reduction of turn-around time for credit to Micro Small and Medium Enterprises (MSMEs) from 52 days to 41 days, automation of the payment module for standards and registration of IP and operationalization of four (4) Biashara Centres.

Rivatex East Africa Limited was modernized to a level of 96% level of completion which led to an increase in the consumption of lint therefore increasing production of high quality and competitive products. There was also adoption of BT cotton leading to increased yield. The Kenanie leather park in Machakos County was commissioned, Kariokor common user leather manufacturing facility was developed and equipped. There was construction and equipping of cold storage facilities in Nyandarua Kisii and Meru. There was development of the Africa Blue Economy strategy. Land was designated for Special Economic Zones in areas like Lamu, Kisumu, Mombasa, Busia, Dongo Kundu, Konza technopolis.

Employment, Prosperity and Equity: Further, employment opportunities were created through provision of finances to SMEs in the Manufacturing Sector. During the period under review, the number of employment opportunities in the industry was on an upward trajectory with a slight decline in 2020 caused by the effects of the COVID-19 pandemic and containment measures that led to the reduction in industrial activities. A total of 9,875,700 jobs (in both formal and informal sectors) were created against a yearly target of one million. This achievement was as a result of some industrial sub-sectors that had high growth which included agro-processing, packaging materials, chemicals, pharmaceuticals, cement, building and construction materials, wood and wood products, textiles and apparels, metal fabrication and assembly of motor vehicles were created.

Resources for Industrial Development: A total of 175 Constituency Industrial Development Centers (CIDCs) were refurbished by MSEA and 12,909 and 27,253 youths were advanced with financial grants and business development services under Kenya Youth Employment and Opportunities Project (KYEOP) respectively.

Further, KITI enrolled 13,522 students for various programs on industrial skills and entrepreneurship which provided human resources for the industrial sector. The institute was equipped with modern machines and equipment for training leather and textile skills.

Leadership and integrity (Governance)

In a bid to enhance human resource capacity, the State Department recruited fifty additional Industrial Development officers and acquired additional office space to improve on the physical working environment for its staff. The State Department in its quest to achieve compliance with the Public Procurement and Asset Disposal Act and its attendant Regulations has continuously engaged in short courses training on application of the law through Integrated Financial Management Information System (IFMIS) at the Kenya School of Government in partnership with the National Treasury.

The State Department has put in place modalities for engaging in monitoring and evaluation exercises for its projects under implementation to ensure achievement of their respective objectives.

3.1.5.2 Challenges

During the implementation of the previous Strategic Plan (2018-2022), the State Department and its agencies experienced the following key challenges:

i) High cost of energy and operations

Unreliable and high cost of energy for industrial enterprises remained a big challenge. Kenya is one of the most expensive countries in terms of energy consumption and electricity and this increases the cost of production. The Government has initiated major reforms all aimed at addressing the cost, quality and reliability of energy.

ii) Unfavorable Business Environment

It was also noted that the manufacturers are confronted with multiple taxes, fees, levies, and charges. There has been remarkable effort to improve the business environment.

ii) Low uptake of new technologies

The low uptake of new technologies in the Manufacturing Sector has impacted on the quality of Kenyan products and efficiency of processes. The emergence of the 4th industrial revolution that continues to evolve as driven by automation, internet of things, robotics, artificial intelligence, 3D

printing and big data. The Sector continues to require higher level skills, machine and equipment upgrading and up to date data which is not readily available.

iv) Inadequate Infrastructure

The provision of basic infrastructural facilities remains key in the delivery of various programs and projects that are used as incentives for investor's attraction. However, due to the high costs associated with provision of adequate infrastructure, the implementation of programs and projects have been negatively affected.

v) Unavailability of Industrial Land

During the plan period non-availability, cost, compensation of Project Affected Persons (PAPs), encroachment and ownership of suitable land hampered the timely implementation of projects and programs such as Small and Medium (SME) parks, Special Economic Zones (SEZs), Export Processing Zones (EPZs), industrial clusters, Micro and Small Enterprises (MSEs) program among others. With proper implementation of The National Spatial Plan 2015-2045, the planning and provision of industrial sites for industrial activities will be set aside.

vi) Product Standards and Customer Preferences

During the plan period, there were rapidly changing consumer needs, preferences and quality requirements, both locally and internationally which caused a strain on many Kenyan manufacturers. This particularly affected the exports of Kenyan products through non-tariff barriers caused by the different standards requirements. Majority of manufacturing enterprises were unable to fully comply with these stringent standards requirements resulting in reduced market access.

vii) Low awareness on Industrial Property Rights and weak protection of indigenous knowledge

There is low uptake of IPRs due to lack of awareness of the requirements and benefits of IPRs protection as it is a lengthy and costly registration process. In addition, the weak protection of indigenous knowledge, inadequate research and innovation initiatives on natural products and unfair and inequitable sharing of benefits accruing from commercialization of natural products has affected product development.

viii) Inadequate Skills and Capabilities in manufacturing sector

There is a mismatch between available technical skills and market demands due to poor linkages between training institutions and the industry. Training institutions lack adequate and modern training equipment & facilities, comprehensive curricula to address market needs and inadequate staff resulting in a skills gap necessary for industrial development.

ix) Inadequate Financial Resources

Successful implementation of programs and projects require financial resources. Over the period, there has been inadequate budgetary allocation that hampered completion and implementation of programmes/projects.

x) Limited access to financial services for industrial development

Businesses and manufacturers require long term, accessible and affordable financing to carry out and expand their operations. However, due to the dynamics in the financial market, they are often unable to qualify for funding.

xi) Climate Change

Green House Gases (GHG) emissions and lack of implementation of sustainable development initiatives have resulted in unpredictable climate change. This has led to regular occurrence of droughts, unpredictable rainfall patterns resulting in scarcity of agricultural raw materials for processing and value addition.

xii) Limited Access to Markets

Inadequate market information and access has continued to hamper deeper penetration of both local, regional and international markets. Existence of Non-Tariff Barriers (NTBs), unfavorable rules of origin and tax regime and competitive products have proved to be a challenge to the local manufacturers.

xiii) Counterfeit, Dumping and Substandard goods

Counterfeit goods infringe on manufacturers intellectual property rights and also erodes the reputation of their quality products and companies at large. The proliferation of illicit trade and counterfeit goods has affected the domestic market leading to reduced demand for locally manufactured goods, hence, increase in cost of production.

xiv) Low Export base and limited Value Addition

Kenya continues to export primary, semi-processed and limited products. Over-reliance on a few traditional export products and markets has resulted in low export earnings over time. This is compounded by the weak inter-sectoral linkages among the various sectors.

xv) Inadequate funding for Research and Development Activities

The global benchmark is that Governments take a leading role in investing at least 2 percent of the GDP to research and development. However, investment in research and development in Kenya has remained below the global benchmark. This has affected research, development and innovation outputs/outcomes.

xvi) Vandalism of National Critical infrastructure

There has been a rise of cases of vandalism of the National Critical Infrastructure for eventual illegal sale as Scrap Metal. In the FY 2021/2022, a ban was imposed on exports and dealings in scrap metal following vandalism of transmission lines and critical road and rail infrastructure. The moratorium was to ensure that materials are not coming from the hard-won investments that the Kenyan people have made which have led to an estimated annual loss of Kshs.14 billion.

xvii) Low Quality and Inadequate Quantity of Raw materials

Limited access to raw materials of the desired quality has contributed to the struggles manufacturers face in meeting demand and sustained growth. Manufacturers must also navigate complex regulations, customs procedures and shipping logistics to ensure timely delivery of the required raw materials.

3.1.5.3 Lesson learnt and Recommendations

1. Compliance with international and national standards is critical in promoting fair competition in the domestic market and improving competitiveness in the global market.
2. The huge potential in the Blue economy presents opportunities for exploitation through the Manufacturing Sector.
3. A strengthened monitoring and evaluation is key to successful implementation of a strategic plan.
4. A phased approach in project and programme implementation is necessary for SP implementation.
5. Alignment of planning to budgeting is key.
6. Active stakeholder engagement helps in formulation of interventions with great impacts.
7. A secure and cost-effective supply chain for raw materials is essential for businesses to remain competitive and reduce costs and improve efficiency.
8. Programmes and projects should be anchored on policies and legal frameworks.

3.2 Stakeholder Analysis

In the effective implementation of this Plan, the State Department will actively engage both internal and external stakeholders categorized into three (3) groups: the private sector, development partners, and the public sector. The State Department will develop and enhance collaborative mechanisms for engaging the stakeholders. An analysis of stakeholders was carried out which identified the following key stakeholders, their expectations from the State Department and the State Department's expectation from the stakeholders. The analysis is summarized below:

Table 3.3 Stakeholder Analysis

S/NO	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the SDfI
1	The National Treasury and Economic Planning	Responsible for allocating funds to support industry programs, ensuring proper financial management, and promoting economic planning that aligns with Industry goals	• Compliance with Public Finance Management (PFM) Act • Reporting on program outcomes and impacts • Efficient utilization of allocated funds and resources	• Formulating financial policies • Provide timely budgetary allocation to the State Department
2	Ministry of Energy	Connect adequate and reliable power	• Comply with all energy laws and regulations • Provide wayleaves for power transmission • Provision of suitable intake points • Submit proposal for connectivity	• Connectivity to the Mains power connection for industries • provision of affordable and reliable energy for industries
3	Security Ministries (Defense, Interior and coordination of National Government)	Provision of National security	• Comply with all governing laws and regulations	• Provision of public security to manufacturing entities • Coordinated security sector collaboration
4	Infrastructure Ministries (Transport, infrastructure, housing, Urban Development and Public Works, Water and Sanitation, Housing, Transport, Lands, Information & Communication, Office of the DP)	Provision of efficient transport, logistics and utilities services	• Utilization of transport, logistics and utilities services provided by the manufacturing firms	• Provision of quality and reliable physical infrastructure • Provision of communication infrastructure • Provision of clean water and sewerage facilities • Provision of industrial land and sites • Provision of physical and spatial planning
5	Coordinating Ministries (Devolution, Office of the Prime Cabinet Secretary,	Coordination of Planning, County Governments, Labour Issues and Foreign relations	• Profiling of industrial development opportunities • Effective Public Service and Performance improvement	• Formulation of National policy, Vision and setting the national development agenda • Coordination of policy implementation and

S/NO	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the SDfI
	Planning, Labour, Foreign Affairs)		• Effective and efficient implementation of programmes/projects • Adherence to industrial labour laws and foreign relations	linking to budgetary process • Industrial labour Legislation and regulations • Coordination and collaboration of regional and international relations • Performance contracting. • Monitoring and evaluation of programmes and projects • Maintain cordial foreign relations
6	Production Ministries (Agriculture, Livestock and Fisheries, & Forestry)	Production and productivity of raw materials	• Collaborate to ensure availability of raw materials, value addition and quality. • Enabling Policy, regulatory and Administrative framework	• Production of Quality raw materials for value addition.
7	County Governments	Implement Industry policies	• Continuous collaboration • Information sharing • Capacity building	• Implementation of policies standards and guidelines • Information sharing • Alignment of policies with the National Industrial Policy (NIP) • Management of CAIPs
8	Development Partners	Provide financial, technical, and capacity-building support to support industry	• Alignment with international industry outcomes like the SDG • Prudent use of resources • Reform initiatives • Improved regulatory environment • Capacity building and creation of synergies	• Provide funds, technical support, and capacity building. • Support/participation in coordination of sector policy documents reviews. • Support in industry and value addition evidence generation

S/NO	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the SDfI
9	Non-Governmental Organizations (NGOs)/Civil Society	Partner in Community mobilization and civic education to facilitate implementation of policies and projects	• Participation in the Ministry policies, projects and programmes development • Provision of quality services • Accurate and timely provision of information • Collaboration and partnerships • Technical support and advisory services by participating in formulation of policies and laws • Provide advocacy services	• Active participation and collaboration • Positive engagement • Active participation in programmes and projects implementation • Social accountability audits
10	Academic Institutions	Provide expertise, professionalism, human capacity building	• To bridge the skills gap • Joint collaboration on policy formulation. • Dissemination of research findings	• Training on industrial and entrepreneurship skills • Provision of Research & Development • Provision of technical and managerial Training • Commercialization of Research Finding • Extent to which research findings enhance industrial productivity
11	Private Sector	Collaborate with SDfI to promote development of industry and value addition	• Create a conducive environment for private sector-led industrial and enterprise development • Formulation and implementation of various sectoral policies on development of Industrialization • Regulatory and collaboration • Adoption, adaptation and uptake of technology • Capacity enhancement of MSMEs for mass production	• Partnering with sector in programme development and implementation • Invest in development of industries. • Provide quality products and services

S/NO	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the SDfI
			• Provision of financial services • Joint Public-Private Partnership initiative for sustainable industrial development and investments • Provision of industrial databank and other real-time information	
12	Professional Bodies	Regulation of the conduct of the respective professions hereby promoting professionalism and ethical conduct in the Ministry	• Share the generated data and information • Partnership and collaboration in research and policy formulation • Appointment of Board members • Financial support • Provide advisory services for Compliance by staff through registration, renewal and continuous professional development	• Instill professionalism among members • Set standard operating procedures • Registration of members and regulation of the professional practices
13	Trade Unions	Advocacy for rights of workers	• Provision of good working relationships in industry • Tripartite labour negotiations arrangements • Sensitization of workers on occupational health and safety including HIV/AIDS in the workplace	• Provision of good working relationships in industry • Tripartite labour negotiations arrangements • Sensitization of workers on occupational health and safety including HIV/AIDS in the workplace

S/NO	Stakeholder	Role	Expectation of the Stakeholder	Expectation of the SDfI
14	General Public (Citizens)	• Provide input through public participation • To provide a customer base	• Active participation in corporate social responsibilities • Enhanced awareness in the sector • Efficient and effective services • Transparency and accountability in service delivery	• Regular feedback on services • Compliance with laws, regulations and procedures • Ownership and sustainability of projects
15	Media	Inform, educate, and entertain the public	• Provision of timely, accurate and reliable information • Collaboration and partnerships	• Dissemination of information to enhance awareness of the Ministry's mandate • Fair and responsible coverage and reporting

CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULTS AREAS

Overview

This Chapter presents the Strategic Issues to be addressed during the 2023 - 2027 Strategic Plan period. It also sets the goals to be realized under each Strategic Issue and the corresponding Key Result Areas.

4.1 Strategic Issues

The SDfI will address the gaps and exploit opportunities identified in the situation analysis by focusing on six (6) Strategic Issues, namely: Global Competitiveness; Employment Creation; Manufacturing Sector Contribution; Quality Infrastructure; Sustainable Manufacturing; and Governance & Accountability.

4.1.1 Global Competitiveness

Competitiveness at local, regional and global markets is key to the State Department's mandate. Kenya has come a long way in terms of creating a sustainable conducive industrial business environment that will promote the expansion and nurture local industries development as well as attract Foreign Direct Investment (FDI). In order to realize this Strategic Issue, the State Department will work towards enhancing market access for manufactured products and promoting product competitiveness as Key Results Areas.

4.1.2 Employment Creation

Employment creation is the process of creating new job opportunities for people who are unemployed. Jobs provide citizens with a sense of purpose, help reduce poverty and inequality. The Sector has the potential to create jobs directly and indirectly through backward and forward linkages with other sectors of the economy for example agriculture, construction and trade. Employment creation in the Manufacturing Sector is essential for economic growth and development for the country through expansion of industrial activities, skills development for increased productivity, supply chain development and advancement in technological innovation.

To address this critical need, the State Department will focus on these key result areas: establishing formal and informal manufacturing jobs, and providing workers with reskilling and upskilling opportunities.

4.1.3 Manufacturing Sector Contribution

Manufacturing is a key contributor to Kenya's GDP. It's a growth accelerator that culminates in poverty reduction in countries with rapid industrialization. During the plan period, the Sector will focus on increasing its share of contribution to GDP from 7.8 percent to 15 percent by 2027.

In order to achieve this, the State Department shall endeavor to increase the Manufacturing Sector output, promote production of high value added products, and enhance uptake of industrial research, innovations, commercialization and technology development.

4.1.4 Quality Infrastructure

Quality Infrastructure (QI) is the system comprising the organizations (public and private) together with the policies, relevant legal and regulatory framework, and practices needed to support and enhance the quality, safety and environmental soundness of goods, services, and processes. The system relies on standardization, metrology, accreditation, conformity assessment, technical regulations, and market surveillance.

Accreditation strengthens the country's infrastructure for conformity assessment, thereby promoting consumer safety, facilitating trade, and enhancing the competitiveness of products and services in the domestic and international markets. Standardization involves the development, adoption, and implementation of technical standards that define requirements for products, processes, and services, while industrial property rights protection involves the legal framework and mechanisms for safeguarding industrial property, including patents, trademarks, copyrights, and trade secrets.

Kenya faces challenges in accessing markets partly due to the absence of clear and internationally recognized quality infrastructure. The challenges include quality shortcomings, financial constraints, information asymmetry, and inadequate logistics. The State Department will ensure that the country has a supportive and internationally recognized quality infrastructure supported by the private sector and non-governmental organizations. Quality Infrastructure contributes to strengthening of regional and multilateral integration aspirations for enhanced manufacturing, trade, and socio-economic transformation of the country in line with the Bottom-up Economic Transformation Agenda.

4.1.5 Sustainable Manufacturing

Sustainable manufacturing entails production of manufactured products through processes which are economically sound that reduce negative environmental impacts while conserving energy and efficient utilization of natural resources. This is key in ensuring that the current manufacturing demand takes cognisance of the welfare of the future generations by adopting the best manufacturing practices. This is in line with SDGs 7, 9 and 12 which focuses on; access to

affordable, sustainable energy for all; inclusive and sustainable industrialization; and sustainable consumption & production respectively. SDfI will thus encourage industrial development processes that are environmentally sustainable. To do this, the Department will implement a KRA focused on promoting sustainability within manufacturing industries.

4.1.6 Governance and Accountability

Governance encompasses the processes and structures used to manage the Department's manufacturing decisions, set objectives and ensure available resources are used effectively whereas accountability is the obligation of SDfI staff to accept responsibility for the actions, decisions and policies and be answerable to other stakeholders for the outcomes of those actions. Governance sets the framework within which accountability operates.

Good governance and accountability within the State Department will therefore strengthen capacity for service delivery thereby establishing transparency, efficiency and access to timely and accurate information to aid in delivery of its mandate in manufacturing.

In order to achieve this strategic issue, the State Department commits to review the staff establishment and schemes of service, institute mechanisms for corruption prevention, enhance SDfI's corporate image and branding and domesticate government communication strategy. In addition, the Principal Secretary will be supported by seven Technical Directorates, Administration and Support Units, and nine State Corporations. To achieve this the State Department will implement the KRA: Enhanced Capacity for Service Delivery.

4.2 Strategic Goals

The Strategic Goals have been developed to address strategic issues, ensuring Industry's mandate is achieved and responds to the changing demands of globalization. The Strategic Goals have been outlined within the six key Strategic Issues.

S.I 1: Global Competitiveness

Strategic Goal 1: Improved product competitiveness

The aim of this goal is to improve product competitiveness in the manufacturing sector. This will enhance the country's ability to produce goods and services that can compete effectively in the domestic, regional and international markets.

S.I 2: Employment creation

Strategic Goal 2: Increased employment opportunities

The Manufacturing Sector plays a significant role towards providing a substantial source of employment in Kenya. In the previous Plan period, the Manufacturing Sector contributed on average 11.8 percent of the total jobs created annually. This strategic goal thus aims at generating more employment opportunities; both formal and informal. The State Department shall achieve this through: Optimization and Restructuring of SOEs; Providing Business Development Services (BDS) to MSMEs; and facilitating creation of linkages.

Strategic Goal 3: Enhanced skills development for industry

The State Department aims to promote skills enhancement for industry through: Industrial and Entrepreneurship skills development; Implementation of CBET curriculum at KITI; creating strategic industrial partnership for resources; and Building capacity of manufacturing enterprises on productivity improvement.

S.I 3: Manufacturing Sector Contribution

Strategic Goal 4: Increased manufacturing sector output

The aim of the Strategic goal is to increase manufacturing sector output. SDfI shall achieve this through: developing/reviewing various policies, strategies and legislation for promoting the Sector; promote local manufacture and assembly of electrical and electronic products; promote local assembly and manufacturing of machinery, automotive equipment and parts; promote local manufacture of pharmaceutical products, accessories and devices; promoting manufacture of affordable construction materials and products; and establishment of Integrated Iron and Steel Mill Plant, Scrap Metal and Mineral Value Addition.

S.I 4: Quality Infrastructure

Strategic Goal 5: Strengthened national quality infrastructure

The aim of implementing quality infrastructure is to have a globally competitive and prosperous country with a high quality of life. It seeks to create a conducive environment for innovation in manufacturing to enhance the competitiveness of products in the domestic and international markets thereby driving inclusive and sustainable growth. It also targets to protect the consumers by ensuring safety and quality of products.

S.I 5: Sustainable Manufacturing

Strategic Goal 6: Enhanced adoption of green manufacturing and circular economy

This strategic goal aims at promoting green manufacturing and a circular economy. Focus will be on the promotion of the design, development and manufacture of green products that are organic, recyclable, and energy saving. Moreover, there is a need to encourage manufacturers to adopt circularity in their production.

S.I 6: Governance and Accountability

Strategic Goal 7: Strengthened Capacity for Service Delivery

To strengthen the Human Talent & Management, the state department will continuously carry out talent review, assess the talent, build capacity and develop skills with a view of strengthening human talent and management

4.3 Key Results Areas

The Strategic Plan will be guided by ten (10) Key Results Areas which are aligned to the Strategic Issues. The KRAs are as discussed below:

Strategic Issue 1: Global Competitiveness

KRA 1.1: Market Access for Manufactured Products

Market access refers to the ability of manufactured products to enter and compete in various markets, both domestically, regionally and internationally. It involves overcoming tariffs and trade barriers that are brought about by taxes imposed on imported goods making them more costly and less competitive compared to locally produced goods. Trade agreements are negotiated to reduce or eliminate tariffs and other trade barriers enabling the products to access markets including the free trade zones where manufacturers are offered incentives to operate and export goods.

The manufacturers must also adhere to various regulatory standards and certifications to access different markets. Protection of industrial property rights such as patents, trademarks, and copyrights is also essential when entering new markets to prevent counterfeiting and unauthorized use of proprietary technology or branding.

In order to deliver on this, the following strategy will be used: Utilization of export and investment promotion funds.

KRA 1.2 Product Competitiveness

The overall product competitiveness requires a holistic approach that encompasses various aspects such as quality, innovation, differentiation, market fit, branding, marketing, customer service, and adaptability. Continuous improvement and strategic adaptation to changing market dynamics are key to maintaining competitiveness in the long term. Logistics and supply chain management is critical in ensuring product competitiveness as timely delivery of manufactured goods and competitive pricing is key in product competitiveness.

In order to deliver on this, the following strategies will be adopted: Enhance productive capacities; Industrial business facilitation; and Exhibition and industrialization conferences.

Strategic Issue 2: Employment creation

KRA 2.1 Create formal and informal manufacturing jobs

This involves interventions to create and grow industries to provide job opportunities. The Manufacturing Sector is a growth accelerator that has the potential to create jobs directly and indirectly through backward and forward linkages with other sectors of the economy. This KRA will be achieved through: support systems for sustainable development of micro, small and medium industries; optimization and restructuring of State Owned Enterprises (SOEs) and facilitating linkages between small & medium industries to large industries.

KRA 2.2 Reskilling and upskilling of workers

Supply of Skilled workforce is critical to the industrial development process. This KRA will be achieved through the following strategies: Entrepreneurship and industrial skills development; implementation of Competency Based Education and Training (CBET) curriculum; and capacity building of manufacturing enterprises on productivity improvement.

Strategic Issue 3: Manufacturing Sector Contribution

KRA 3.1 Manufacturing Sector output

The Manufacturing Sector will focus on increasing its share of contribution to GDP from the current 7.8 percent to 15 percent by 2027. This will be achieved by creating a favorable policy environment through Developing /reviewing policies, strategies and legislation; manufacture of electrical and electronic products; Manufacture and assembly of Machinery, Automotive, Equipment and Parts; Manufacture of pharmaceutical products, accessories and devices; Manufacture of affordable construction materials and products; and establishment of integrated iron steel mill plant; mineral value addition.

KRA 3.2 Enhancement of value addition

The State Department shall seek to increase the value of raw products for local markets and for exports through a value addition approach. The specific strategies that shall be adopted to achieve

this include: Development of Industrial parks, clusters and micro industries; Enhancement of local production of fabric, textiles, apparels and accessories; Production of premium textiles products; Provide access to cotton raw materials; Enhance local production of fibers/ cotton lint; enhancement of leather and leather products value chain as well as enhancing modern technologies through provision of Common manufacturing facilities to MSIs.

KRA 3.3 Industrial research, innovation and technology development

The realization of sustainable and meaningful industrial development in the country requires a well-developed ecosystem of research and innovation. SDfI will achieve this by: enhancing industrial research and innovations commercialization; industry-academia and government collaboration; establishing support mechanisms to MSMIs /firms in the Manufacturing Sector; and adoption and leveraging on 4th Industrial Technologies.

Strategic Issue 4: Quality Infrastructure

KRA 4.1 Sustainable National Quality infrastructure

Kenya's Sustainable National Quality Infrastructure involves the evaluation of organization to ensure they meet the predetermined standards of quality, competency and credibility. It also involves promotion of standard based technologies and processes as well as protection of inventions and innovations used in the industry. To achieve this, the State Department will focus on enhancing standardization, accreditation and IPRs.

Strategic Issue 5: Sustainable manufacturing

KRA 5.1 Sustainability of manufacturing industries

This involves optimal manufacturing processes, waste management methods, efficient industry practices, that yields eco-friendly products. The SDfI will embrace the aforementioned as well as promote the adoption of the 3Rs (Reduce, Reuse and Recycle) to cultivate a sustainable manufacturing ecosystem that maximizes on earnings from green and circular investment. This will be achieved through Promotion of adoption of Green Manufacturing Practices and Adoption of circularity in production.

Strategic Issue 6: Governance and Accountability

KRA 6.1 Enhanced Capacity for Service Delivery

The State Department for Industry will achieve this KRA by strengthening the human talent, competence development & management; enhance SDfI corporate image by domesticating government communication strategy, increase resource mobilization and ensure efficient management in resource utilization. Further, the State Department will continuously monitor and evaluate implementation of policies, programmes and projects in addition to digitalization of services offered.

Table 4.1: Strategic issues, Goals and KRA

Strategic Issue	Goal	KRAs
Global Competitiveness	Improved product competitiveness	KRA 1.1: Market access for manufactured products KRA 1.2 Product competitiveness.
Employment Creation	Increased employment opportunities Enhanced skills development for industry	KRA 2.1 Create formal and informal manufacturing jobs KRA 2.2 Reskilling and upskilling of industrial workers.
Manufacturing Sector Contribution	Increased manufacturing sector output	KRA 3.1 Manufacturing sector output KRA 3.2 Enhancement of Value addition KRA 3.3 Industrial research, innovation and technology development.
Quality Infrastructure	Strengthened national quality infrastructure	KRA 4.1 Sustainable National Quality infrastructure.
Sustainable Manufacturing	Enhanced adoption of Green Manufacturing and Circular Economy	KRA 5.1 Sustainability of manufacturing industries.
Governance and Accountability	Strengthened Capacity for Service Delivery	KRA 6.1 Enhanced Capacity for Service Delivery.

CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES

Overview

This Chapter defines the strategic direction of the State Department for Industry. It highlights the Strategic Objectives and strategies that will enable the State Department to deliver on the Strategic Plan. The Chapter also highlights the Strategic Choices, illustrating how these choices are linked with the established Strategic Objectives.

5.1 Strategic Objectives

This section focuses on the strategic objectives that the State Department commits to accomplish in the next five years in order to achieve its strategic goals and to realize its vision. The strategic objectives establish levels of performance to be achieved on identified strategic issues. The Plan has Strategic Objectives which are aligned to address the various KRAs under the Strategic Issues. The Section also highlights the outcomes of annual projections for the plan period. The outcomes are resulting directly from activities or programmes to be implemented for each Key Result Area.

KRA 1.1: Market access for manufactured products

Strategic Objective 1.1: To enhance market access for manufactured products

This objective aims at enhancing market access for manufactured products by stimulating economic growth to increase exports, create job opportunities and provide an avenue for diversification and innovation. In order to achieve this objective, the following activities will be undertaken; development of regulations on export and investment promotion levy, mapping of industries and operationalization of the industrialization, export and investment promotion fund.

KRA 1.2: Product competitiveness

Strategic Objective 1.2: To improve product competitiveness

This objective aims at enhancing the quality, efficiency and attractiveness of Kenyan manufactured products in both domestic and international markets. In order to achieve this objective, the following activities will be undertaken; revitalization of sustainable and inclusive Industrialization, establishment of Karibu Business Support Centers in ten regions, conducting the Kenya Industrialization Week and Industrialization conference and conducting manufacturing exhibition.

KRA 2.1: Create formal and informal manufacturing jobs

Strategic Objective 2.1: To create new employment opportunities

The aim of this strategic objective is to create new employment opportunities in order to promote economic development by providing Business Development Services to MSMEs and common manufacturing facilities; Modernization of machinery at RIVATEX E.A Ltd; Modernization of foundry plant and CNC; Restructuring of EAPCC; and facilitate creation of linkages. This is aimed to achieve SDG 9, Kenya Vision 2030 and BETA objectives of increasing employment in the Manufacturing Sector.

KRA 2.2: Reskilling and upskilling of workers

Strategic Objective 2.2: To enhance industrial and entrepreneurship skills development

SDfI will seek to re skill and up skill workers through: undertaking the skills gaps and its mismatch in Manufacturing Sector; conducting strategic industrial partnership for resources; Reskilling and upskilling of students/ startups/ MSMEs on Industrial & entrepreneurship skills; rolling out of CBET curriculum; and training of manufacturing enterprises on productivity improvement.

KRA 3.1: Manufacturing Sector Output

Strategic Objective 3.1: To increase manufacturing sector output

SDfI will seek to increase manufacturing sector output through: Development/review of policies, strategies and legislation for promoting manufacturing sector; promoting manufacture of electrical and electronic products; promoting assembly and manufacture of Machinery, Automotive, Equipment and Parts; promoting local manufacture of pharmaceutical products, accessories and devices; Manufacture of affordable construction materials; and establishment of integrated iron steel mill plant, scrap metal recycling mineral value addition.

KRA 3.2: Enhancement of Value addition

Strategic Objective 3.2: To promote production of high value added products

SDfI will seek to promote production of high value added products through: Establishment of the County Aggregation and Industrial Parks (CAIPs); Undertake Feasibility studies on the priority value chains; Establishment of Industrial clusters; Establishment of micro industries; Establishing Fabric Value Addition Centres; Capacity building on fashion and design of clothing and textile products conducted; Capacity build firms on production of premium textiles and alternative fibres; Distribute cotton seeds to cotton growing counties; Facilitate linkages between government and private sectors to support establishment of ginneries; Enhance leather and Leather products value chain; and Enhancing modern technologies through provision of Common manufacturing facilities to MSIs.

KRA 3.3: Industrial research, innovation and technology development

Strategic Objective 3.3: To enhance uptake of industrial research, innovations, commercialization and technology development

SDfI will seek to enhance uptake of industrial research, innovations, commercialization and technology development through: Commercialize research and innovations; Develop Industry-Academia and government collaboration framework; Implement Industry-Academia and government collaboration framework; Provide support measures to small and large firms for innovation and productivity improvement; Develop strategy framework on adoption and leveraging on 4th industrial technologies; and Capacity build firms on adoption of 4IR.

KRA 4.1: Sustainable National Quality Infrastructure

Strategic Objective 4.1: To strengthen the national quality infrastructure

This objective aims at strengthening Kenya's capacity to ensure the quality, safety, reliability and protection of inventions and innovations of manufactured products. In order to achieve this objective, the following activities will be undertaken; develop, disseminate and implement the Kenya Quality Policy, Capacity build SMIs and firms in manufacturing on standards, IPRs and accreditation and Implement the Kenya Quality Policy.

KRA 5.1: Sustainability of manufacturing industries

Strategic Objective 5.1: To promote adoption of green manufacturing and circular economy

The aim of this objective is to develop Green Manufacturing Strategy that will act as a guide to make manufacturing business more sustainable by adopting basic factory efficiency practices as well as employing more advanced efficiency techniques. Players in the manufacturing sector will be incentivized to produce green products in various sectors. There will also be continuous upskilling and education of the MSMEs in adoption of green technologies in their production process which saves energy as well as reducing wastes. The end game of all these initiatives is to promote adoption of green manufacturing in a circular economy that protects supply chains and aids in the green transition.

KRA 6.1: Enhanced Capacity for Service Delivery

Strategic Objective 6.1: To strengthen the Human Talent & Management

This will involve carrying out talent review, assessment and capacity building and development of skills with a view of strengthening human talent and management. Further it will be fostering implementation of the domesticated communication strategy in the State Department. Digitalization will also improve service delivery and at the same time reduce inefficiencies attributed to human to human interaction. All these will be realized through a continuous monitoring and evaluation process.

Table 5.1: Outcomes an Annual Projections

Key Result Area(s)	Strategic Objective	Outcome	Outcome Indicator	Projections				
				Y1	Y2	Y3	Y4	Y5
KRA 1.1 Market access for manufactured products	SO 1.1: To enhance market access for manufactured products	Increased export for manufactured products	Percentage increase in export of manufactured products	30	32	34	36	36
KRA 1.2 Products competitiveness	SO 1.2: To improve product competitiveness	Enhanced Productive Capacity	Competitive Industrial Performance (CIP) Index -	0.12	0.15	0.18	0.2	0.25
KRA 2.1 Create formal and informal manufacturing jobs	SO 2.1: To create new employment opportunities annually	Increased employment opportunities	Increase in jobs created-Formal “000”	1,282.1	2,211.6	3,141.0	4,070.5	5,000.0
			Increase in jobs created-Informal “000”	5,544.8	7,908.6	10,272.4	12,636.2	15,000.0
KRA 2.2 Reskilling and upskilling of industrial workers	SO 2.2: To enhance industrial and entrepreneurship skills development	Increased Industrial and entrepreneurship training	Increased Industrial and entrepreneurship graduands	4,500	4,700	5,000	5,500	5,700
KRA 3.1 Manufacturing sector output	SO 3.1: To Increase manufacturing sector output	Increased contribution of manufacturing sector to GDP	% Manufacturing sector contribution to GDP	9.2	10.7	12.1	13.6	15.0

Key Result Area(s)	Strategic Objective	Outcome	Outcome Indicator	Projections				
				Y1	Y2	Y3	Y4	Y5
KRA 3.2 Enhancement of Value addition	SO 3.2: To promote production of high value added products	High value added products manufactured	% growth in gross value add of manufacturing	3	5	7	9	10
KRA 3.3 Industrial research, innovation and technology	SO 3.3: To enhance uptake of industrial research, innovations, commercialization and technology development	Enhanced Product competitiveness	Industrial research commercialized	60	80	65	70	90
			Firms adopting 4 the industrial revolution technologies	-	-	-	20	20
KRA 4.1 Sustainable National Quality Infrastructure	SO 4.1: To strengthen the National Quality Infrastructure	Increased uptake of standardization, accreditation and protection of intellectual properties	Percentage increase in uptake of standardization, IPRs and accreditation by MSMEs	5	10	15	20	25
KRA 5.1 Sustainability of manufacturing industries	SO 5.1: To promote adoption of green manufacturing and circular economy	Sustainable green and circular manufacturing practices	% increase of firms adopting sustainable industry practices	5	10	12	15	20
KRA 6.1 Enhanced Capacity for Service Delivery	SO 6.1: To strengthen the Human Talent & Management	Improved service delivery	Change in customer satisfaction level	20	30	50	80	100
		Strong positive corporate culture						

Key Result Area(s)	Strategic Objective	Outcome	Outcome Indicator	Projections				
				Y1	Y2	Y3	Y4	Y5
		Increased financial resources mobilized and enhanced efficient resources use to deliver on the mandate of SDfI	% increase in resources mobilized	5	5	5	5	5
		Prudent management of the resources	Rate of Financial absorption	100	100	100	100	100
		Improved service delivery through digitalization of services	Reduced Turnaround time	50	45	40	35	30

5.2 Strategic Choices

This section describes the course of action and means that the SDfI will pursue to achieve results on key priority issues. Each strategic goal has strategic objective(s) that the Department aspires to achieve and defined key results, and each strategic objective has a strategy that defines a specific course of action to be taken to realize the defined key results. The Department commits to make the following strategic choices in achieving the identified strategic objectives.

SO 1.1: To enhance market access for manufactured products

S.1: Utilization of export and investment promotion fund

Enabling regulations on export and investment promotion levy aims at increasing export for manufactured products. The regulations will provide a guide on the utilization of the Industrialization, export and Investment promotion fund that is meant to be utilized for protection of local industries, and provide financing for the Micro, Small, and Medium Industries (MSMIs) in the manufacturing sector. This strategy will be realized through implementation of the following activities: development of the regulations on Export and Investment promotion levy and operationalization of the Industrialization export and Investment promotion fund.

SO 1.2: To improve product competitiveness

S.1 Enhance Productive Capacities

To enhance productive capacity, measures will be put in place to increase the firms' manufacturing efficiency, reduce cost of production, enhance access to raw materials, deployment of technology and fiscal incentives. To implement this strategy, the Department will revitalize sustainable and inclusive industrialization. With improved productive capacities, there will be realization of output from the firms, increased market share and competitive advantage.

S.2 Industrial Business facilitation

In a bid to undertake Industrial business facilitation, the state department will strive to simplify and streamline the processes of: accessing information; starting and running a business; access to fiscal incentives facilitation and response to industry related queries. Realization of this strategy will be through establishment of *Karibu* Business Support Centre that will provide one stop support services for existing and potential industrial investors and bring the essential support services within their proximity.

S. 3 Exhibition and Industrialization conferences

In order to accelerate the process of industrialization, double up on import substitution, enhance export promotion and radically reduce dependence on developed countries for finished products, the State Department will organize exhibitions and industrialization conferences annually. The conferences will bring together experts drawn from academia, industry, policy makers, and development partners from Kenya, the African Continent and the rest of the world. These events will aim to discuss the Industrialization Agenda with a view of identifying existing opportunities and areas of improvement,

challenges and inform generating a strategy for making Kenya a preferred manufacturing hub for the African Continent. SDfI will continue hosting annual industrialization week, conference and exhibitions to showcase the country as a manufacturing hub.

SO 2.1: To create new employment opportunities annually

S.1: Support systems for sustainable development of micro, small and medium industries

SDfI will address this strategy through provision of interventions and Business Development Services that are geared towards creating formal and informal manufacturing jobs. This will in turn alleviate poverty and enhance economic growth and development in the country.

S.2 State Owned Enterprises (SOEs) optimization and restructuring

During the plan period, SDfI will seek to optimize and restructure SOEs in order to make them more efficient and sustainable. These institutions include Numerical Machining Complex, EAPCC and Rivatex East Africa.

S.3 Linkages between small & medium industries to large industries

under this strategy, Industrial Subcontracting Strategy will be developed that will facilitate creation of linkages in order to enhance transfer of new technologies and provide a ready market for small industries. In doing so, there will be sustained growth of the small industries and therefore creating more employment opportunities.

SO 2.2 to enhance industrial and entrepreneurship skills development

S.1 Industrial and Entrepreneurship Skills Development

SDfI will address this Strategy through undertaking the Industrial skills gaps and its mismatch in the manufacturing sector. This is essential for making informed decisions concerning the work force and how to address any skills gaps. Further, SDfI will undertake strategic industrial partnerships for skilling of trainees, reskilling & upskilling of workers/ startups/ MSMIs on Industrial & entrepreneurship skills.

S.2 Implement Competence Based Education and Training (CBET) curriculum

CBET is an educational approach that focuses on the demonstration of mastery of specific knowledge, skills and attitudes rather than mere completion of coursework or time spent in a classroom. The State department is committed to producing market ready graduates and improving the skills of the workers by rolling out the CBET Curriculum at KITI.

S.3 Build capacity of manufacturing enterprises on productivity improvement

High levels of productivity in manufacturing results in better financial performance, less waste, greater profit margins, higher employee engagement achieving sustained continual improvement and overall increased customer satisfaction. To implement this strategy, the State Department will train

manufacturing enterprises on productivity improvement methods such as Total Quality Management, Kaizen, and Lean Production among others.

SO 3.1 To increase manufacturing sector output

S.1 Develop/review Policies and Strategies for promoting manufacturing sector

The State Department for Industry is set to bolster the manufacturing sector through developing/reviewing policies and strategies. This will include: Review of Industrialization Policy, Automotive Policy; and Development of Industrialization Bill, Automotive Bill, Industrial Subcontracting Strategy, Leather Development Strategy, Textile and apparel strategy, Iron and Steel Strategy; Local Content Bill; Buy Kenya Build Kenya Strategy; and strategy on manufacture of electrical and electronic products.

S.2 Manufacture of electrical and electronic products

The State Department will strive to increase the local manufacture and assembly of electrical and electronic products by developing a strategy framework to attract investments in the local manufacture and assembly of electrical and electronic products in the country. It will involve manufacturing of tools and accessories, tablets, laptops and other electronic equipment using resource efficient cleaner production technologies and adopting E-waste recycling best practices. The State Department has identified the following key opportunities: manufacture of medical equipment; data communications equipment; smart meters; electricity transformer; assembling of data processing and transmission equipment, and appliances; manufacture and assembly of solar electric products, fridges, TVs, microwaves, air-conditioners and general household electronics among others.

S.3 Manufacture and assembly of Machinery, Automotive, Equipment and Parts

This strategy aims to increase production of automotive parts and components for assembly of automotive, motorcycles and locomotives in the country. The automotive industry has a major impact on economic development and technological advancement with multiplier effects on upstream and downstream activities. The State Department will provide fiscal incentives to enhance opportunities in the local assembly and manufacture of electric bicycles, electric motorcycles, motor vehicles, electric cars and affordable passenger vehicles; electro/gas conversion; charging systems; and their parts/accessories. In addition, MSMEs will be supported to produce components and auto-parts.

Further, SDfI will develop a strategy framework to attract investments and create capability for local manufacture and/or assembly of agro machinery, equipment and tools. This will in turn lead to: development and transfer of technologies for local production of agro-machineries for food processing and irrigation machines; encourage use of decarbonized steel; implementing preventive maintenance measures; and use of cleaner production technologies.

Industrial Machinery increases local content in manufacturing by designing and manufacturing machine tools, metal forming and fabrication machines, industrial parts and transmission parts for the MSMEs and local industries. This will be integrated with adoption of the latest digital technologies which will enhance value addition while ensuring low carbon footprint and environmental sustainability.

S.4 Manufacture of pharmaceutical products, accessories and devices

In order to make Kenya a competitive regional hub for manufacturing and distribution of pharmaceutical products, measures will be put in place to encourage local manufacture of pharmaceutical products, equipment and accessories. Moreover, incentives towards promoting local manufacture of active pharmaceutical ingredients (APIs), veterinary vaccines and medicines, and adoption of cGMP to increase production and contribution to GDP.

S.5 Manufacture of affordable construction materials and products

This strategy seeks to enhance manufacturing capability for affordable construction materials and green construction products for local and international markets in the construction industry. In addition, it will enhance greening the construction sector that includes replacing typical construction materials with green/lower carbon substitutes, reducing construction material demand through design and process optimization, and reducing emission of buildings through more efficient processes.

Further, it will leverage on government projects to create demand for Jua kali construction products and green materials through collaboration of National and County Governments; capacity build the MSIs/Jua kali on fabrication and product improvement for mass production; and put in place incentives to make them more cost effective and encourage its use in construction. The Strategy will also target the use of alternative building technologies (ABTs).

S.6 Integrated Iron and Steel Mill Plant, Scrap Metal and Mineral Value Addition

The State Department seeks to support the establishment of modern integrated iron and steel mills for production of high-grade steel for use by industries, promoting exploitation of locally available raw materials and attracting manufacturing industries. In addition, it seeks to promote mineral recycling, processing and value addition; and attracting investments. The establishment of integrated iron and steel mill plants will provide opportunities to use locally available scrap metal.

SO 3.2 To promote production of high value added products

S.1 Develop Industrial parks, clusters and micro industries

The development of industrial parks, clusters and cottage industries involves grouping of firms together to share infrastructure, utilities and materials. This will provide opportunities for joint training, extension services, procurement, waste utilization and penetrate the global markets with

environmentally conscious products. It will further promote the utilization of renewable energy applications and support resource efficiency.

SDfI will achieve this strategy through: Establishment of the CAIPs; Undertake Feasibility studies on the priority value chains; implementation of One Village One Product (OVOP) program; Establishment of Industrial clusters; and Establishment of Cottage/Micro Industries.

S.2 Enhance local production of fabric, textiles, apparels and accessories

This strategy will be achieved by establishing Fabric Value Addition Centres, capacity building on fashion and design of clothing and textile products. The Value Addition Centres will increase textiles and apparel production and further increase the market share of Kenyan textile and apparels goods domestically and for export.

S.3 Production of Premium textiles products;

The State Department will promote the production of premium textiles, fashion designs and apparel using a low volume high value model which is key to unlocking the export market alongside high volume, low value mass production. This will require increasing production efficiency in the entire textile and apparel value chain, product differentiation, branding and fashion.

S.4 Provide access to cotton raw materials;

Cotton is a valuable raw material and a mainstay of the textile industry. SDfI will seek to promote the production and processing of cotton through provision of necessary support to farmers in cotton growing Counties. This will be achieved through the distribution of cotton seeds, supply of subsidized fertilizer and pesticides to farmers in partnership with the State Department for Agriculture, Rivatex East Africa Limited, County Governments and private sectors.

S.5 Enhance local production of fibres/ cotton lint

The Department will promote production and processing of cotton and other alternative fibres (silk, sisal, banana, coconut, synthetic fibres) through materials research, streamlining the management and modernization of ginneries. It will promote Valorization of fibres from plants, animals and agricultural wastes to make fabrics, textiles and apparels

S.6 Enhance leather and Leather products value chain

In a bid to enhance the leather and leather products value chain, the department will undertake the following: map and sensitize MSMEs on leather value chains; capacity building of leather operators on designing, finishing and fashion of leather and leather goods; build capacity of the value chain actors including MSMEs to improve the quality of hides and skins, leather and leather products; establishment of leather cottage industries; develop and disseminate policies and strategies focused on MSMEs in the

leather value chain; construction of 2 common manufacturing facilities; Evaluate status of existing leather processing facilities in the Country, upscaling existing leather facilities in KIRDI and KITI and enforcement of Local Content preferential procurement. This will help enhance value addition to the intermediate leather products produced by the primary tanneries currently producing up to wet-blue leather.

S.6 Enhance modern technologies

The Department will support MSMIs through provision of common manufacturing facilities, product upgrading and facilitate the transfer of modern technologies. The objective is to support firms' to improve their technical capability, production processes and value addition.

SO 3.3 To enhance uptake of industrial research, innovations, commercialization and technology development

S.1 Enhance Industrial research and innovations commercialization

The State Department will promote industrial research, development and transfer of modern and green manufacturing technologies to increase productivity, efficiency and create new products, processes and industries. In addition, it will nurture the academic industry and government linkage to facilitate market-driven research and commercialization of research findings.

S.2 Industry-Academia and Government collaboration

Industry- Academia and Government partnership plays a pivotal role in fostering collaboration, knowledge exchange, and innovation across government, industry, and academia, ultimately contributing to national development and progress. Industry-academic-government collaborations create meaningful opportunities to enhance harmonization of data, identification, and coordination of resources, systematization of processes, and development and management of infrastructure to support impactful exploration and address critical societal needs. In order to facilitate this collaboration, the department will develop Academia - industry and government collaboration framework; and implement Academia - industry and government collaboration framework.

S.3 Support mechanism to MSMIs /firms in manufacturing

The Strategy will focus on development of Small, Medium and Large industries, by providing interventions to promote the development, growth and sustainability of industries in the economy.

The State Department through the Industrialization Export and Investment Promotion Fund will provide interventions which will include: increased access to affordable range of industrial financial products and services to industries; provision of adequate affordable working capital; increase access

to decent and affordable climate resilient infrastructure services for industries and facilitate technological innovative start-ups ecosystem.

S.4 Adoption and leveraging on 4th industrial revolution technologies

The 4th Industrial Revolution technologies play a crucial role in transforming manufacturing by increasing efficiency, flexibility, and innovation while addressing challenges such as cost pressures, quality control, and global competition. Embracing these technologies allows manufacturers to stay competitive, adapt to changing market demands, and drive sustainable growth in the digital age. The Department will develop a strategy to support the manufacturing firms in adopting 4th Industrial Revolution technologies such as automation, Artificial Intelligence, Internet of Things (IoT), Big Data & Analytics, Block Chain, and Additive Manufacturing (3D Printing) among others.

SO 4.1 To strengthen the National Quality Infrastructure

S.1 Enhance standardization, Accreditation and IPRs

Internationally recognized standards

Kenya adheres to several internationally recognized standards across various sectors to ensure quality, safety, and compliance with global practices. The country's sustainable national quality infrastructure will be achieved by developing and implementing the Kenya quality policy. This policy will target to develop, enhance, and strengthen the capacity in standardization, metrology, technical regulations, and market surveillance aimed at meeting international best practices.

Enhance conformity assessment and accreditation

This will involve enhancement of the accreditation infrastructure, accreditation of conformity assessment bodies including the private sector laboratories in order to reduce technical barriers to trade associated with re-testing, re-inspection and recertification through development and management of accreditation systems and capacity building.

Further, there shall be development of new accreditation schemes including accreditation of validation and verification bodies on greenhouse gas emission for carbon offsetting and horticultural Industry accreditation scheme; extension of accreditation scopes in the existing schemes targeting specific agricultural, fisheries and livestock products, pharmaceuticals, environment, construction materials, healthcare, governance, manufacturing and sports among others.

Industrial property rights protected

In order to protect innovations, the State Department shall support the registration of industrial property rights through patenting of inventions and innovations, initiating collaborative interventions to assist MSMEs, Business Enterprises, inventors and research institutions to secure patents, utility models and industrial designs; and eliminate trade and other dealings in counterfeit goods.

Research and standards infrastructure

This will entail upgrading and equipping of industrial research laboratories as well as upgrading standards infrastructure by establishing and operationalizing destination inspection centres, Testing and Metrology Laboratories as well as modernizing Testing and Calibration laboratories.

SO 5.1 To promote adoption of green manufacturing and circular economy

S.1 Promotion of Adoption of Green Manufacturing Practices

Industries are slowly embracing green manufacturing in spite of the lack of comprehensive strategies to guide these noble practices. In order to align manufacturing firms with this practice, the State Department will develop a Green Manufacturing Strategy that will promote designing, development and manufacturing of green products and construction materials that are organic, recyclable, and energy-saving thus making the country become a hub for green manufacturing investment and innovation. Further SDfI will carry out advocacy campaigns on green manufacturing and Capacity build MSMIs on manufacturing of green products.

S.2 Adoption of circularity in production

In circular production, products and materials can be used longer and/or made into new products after use which entails less waste and less environmental impact. In order to achieve this, manufacturers need to know and adopt methods of embracing circularity. Therefore, capacity building for MSMIs is necessary to enable them adopt sustainable manufacturing practices through the 3Rs.

The State Department will build the capacity of MSMIs and manufacturing firms in efficient utilization of natural resources, reducing pollution, recycling and re-using materials (circular economy), and moderate emissions in their production processes.

SO 6.1 Strengthen the Human Talent & Management

S.1 Strengthen the Human talent, Competence Development & Management

Human resource management comprises the programs and activities that support hiring, managing and developing employees from recruitment to retirement. Strengthening of human talent, competence development & management will entail robust Training Needs Assessment, training, reviewing staff establishment and the schemes of service for the staff which in turn will promote skills, competencies, work ethics and accountability as well as implementing mechanisms for corruption prevention within the State Department. The focus will be on improving the staffing levels. In order to ensure efficiency in service delivery, balancing/redeployment of the already existing staff as well as new recruitments will be undertaken. Additionally, training, retooling and sensitization of staff will be undertaken continuously. To achieve this strategic objective, the HR department will implement a comprehensive talent management strategy with resources focused on innovation and creativity.

S.2 Enhance SDfI corporate image and branding

Corporate image enhancement improves the perception of professionalism, stability, and commitment to quality. It fosters trust among stakeholders, including customers, investors, partners, and employees, helping the organization gain credibility. Continuous feedback obtained from a robust M&E mechanism will also enhance SDfI's corporate image. The State department will further enhance its image and branding through development and implementation of a robust communication and publicity strategy.

S.3 Increase Resource mobilization

Successful implementation of programmes and projects require a substantial amount of financial resources. This strategy aims at enhancing resources to the sector through diversification of sources and avenues of funding. The State Department will mobilize resources through institutional initiatives, innovative programme financing models and incentivizing stakeholder involvement. Additionally, the State Department will work towards increasing A.I.A collection, obtaining donor funding and exploring the Public Private Partnerships (PPP) model in implementing programmes and projects.

S.4 Efficient Resource utilization and management

This strategy aims to ensure value for money invested in the public sector and compliance with various statutory requirements. Retooling of the top-level management will be enhanced to ensure prioritization of programmes and initiatives as well as improved budget management. Periodic human and financial audit will be undertaken to ensure adherence to PFM Act and other relevant regulations. In general, controls to strengthen resource utilization will be put in place in all Agencies. Regular sensitizations will be undertaken on transparency and accountability issues. The State Department will ensure prudent utilization of resources; preparation of annual budgets and financial reports.

S.5 Monitor and evaluate implementation of Policies, Programmes and Projects

Monitoring and Evaluation is of utmost importance in assessing the success of any policy, project or program. It helps to identify any potential issues, track progress, and measure outcomes. Through Monitoring and Evaluation, the SDfI will assess the effectiveness of strategies, identify areas of improvement, and ensure that they are meeting their goals and objectives. The State Department will build the capacity of staff on M&E and conduct regular Monitoring and Evaluation of programmes/projects.

S.6 Digitalization of services

Digitalization facilitates better collaboration and communication within an organization. Adoption of a digital-first approach can gain a competitive edge, drive revenue growth, and improve customer satisfaction. Digital transformation leads to significant benefits, including improved production,

reduced costs, and increased profitability. In a bid to ensure digitalization of service, the State Department will develop ICT strategy; and leverage on use of ICT in digitalization of services

Table 5.2: Strategic Objectives and Strategies

Key Result Area(s)	Strategic Objective	Strategies
KRA 1.1:Market access for manufactured products	SO 1.1 To enhance market access for manufactured products	• Utilization of export and investment promotion fund • Bilateral, Regional and Multilateral Negotiations
KRA 1.2: Products competitiveness	SO 1.2 To improve product competitiveness	• Enhance Productive Capacities • Industrial Business facilitation • Exhibition and Industrialization conferences
KRA 2.1:Create formal and informal manufacturing jobs	SO 2.1 To create new employment opportunities annually	• Support systems for sustainable development of cottages industries, small and medium industries • State Owned Enterprises (SOEs) optimization and restructuring • Linkages between small & medium industries to large industries • Industrial and entrepreneurship skills development • Implement CBET curriculum • Build capacity of manufacturing enterprises on productivity improvement
KRA 2.2 Reskilling and upskilling of workers	SO 2.2 To enhance industrial and entrepreneurship skills development	• Industrial and Entrepreneurship skills development • Implement CBET curriculum • Build capacity of manufacturing enterprises on productivity improvement
KRA 3.1 Manufacturing sector output	SO 3.1 To increase manufacturing sector output	• Develop /review Policies and Strategies for promoting manufacturing sector • Manufacture of electrical and electronic products • Manufacture and assembly of Machinery, Automotive, Equipment and Parts • Manufacture of pharmaceutical products and devices • Manufacture of affordable construction materials and green construction materials and products • Integrated Iron and Steel Mill Plant, Scrap Metal and Mineral Value Addition.

Key Result Area(s)	Strategic Objective	Strategies
KRA 3.2: Enhancement of Value addition	SO 3.2 To promote production of high value added products	• Develop Industrial parks, clusters and cottage Industries • Enhancement of local production of fabric, textiles, apparels and accessories • Production of Premium textiles products • Access to cotton raw materials • Enhance local production of alternative fibres/ cotton lint • Enhance leather and Leather products value chain • Common manufacturing facilities
KRA 3.3: Industrial research, innovation and technology development	SO 3.3 To enhance uptake of industrial research, innovations, commercialization and technology development	• Products upgrade • Provision of incubation services • Industrial research and innovations commercialization • Academic - industry and government collaboration • Support mechanism to SMIs /firms in manufacturing • Adoption and leveraging on 4th industrial technologies
KRA 4.1: Sustainable National quality infrastructure	SO 4.1 To strengthen the national quality infrastructure	• Enhance standardization, accreditation and IPRs
KRA 5.1: Sustainability of manufacturing industries	SO 5.1 To promote adoption of green manufacturing and circular economy	• Promotion of Adoption of Green Manufacturing Practises • Adoption of circularity in production • Promotion of manufacture green products • Promotion of manufacture of green construction materials
KRA 6.1: Enhanced Capacity for Service Delivery	SO 6.1 To strengthen the Human Talent & Management	• Strengthen the Human talent Competence Development & Management • Enhance SDfI corporate image and branding • Increase Resource mobilization • Efficient Resource utilization and management • Monitor and evaluate implementation of Policies, Programmes and Projects • Digitalization of services

CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

Overview

This Chapter details the Implementation and Coordination Framework of the Strategic Plan. It discusses the Annual Work Plan and Budget, emphasizing the importance of budgeting and planning for the upcoming years. Performance Contracting is addressed, highlighting the need for clear performance agreements within the State Department. The Chapter further details the Coordination Framework covering aspects such as the Institutional Framework, Staff Establishment, Skills Set, and Competence Development, Leadership, and Systems and Procedures. Additionally, the Chapter discusses Risk Management Framework, emphasizing the importance of identifying, assessing, and mitigating risks within the organization. This chapter also provides a comprehensive overview of key elements essential for effective organizational management and strategy implementation.

6.1. Implementation Plan

An Implementation Plan serves as the guiding roadmap that details the step-by-step execution of strategic objectives, strategies, and activities outlined in the Strategic Plan. This is aimed at ensuring alignment of the Plan with available resources and financial allocations, thereby fostering efficiency and accountability throughout the execution process. Moreover, it functions as the bridge between strategic planning and operational execution, facilitating the alignment of the State Department's goals into tangible actions, budgetary allocations, and contractual commitments, thereby enabling monitoring of progress and achievement of the desired outcomes effectively.

6.1.1 Action Plan

An Action Plan outlines specific activities, responsibilities, timelines, and resources needed to achieve concrete goals and objectives. The implementation matrix (attached as Table 6.1: Annex 1) will enable the State Department and its stakeholders to prioritize activities, track progress, and stay on course toward desired outcomes.

6.1.2 Annual Work Plan and Budget

The Annual Work Plan and Budget (AWP&B) is a critical Strategic Plan implementation tool for an organization. The AWP&B outlines the specific tasks, activities, and projects that need to be executed to achieve strategic objectives for a given year. They also allocate resources, including finances and manpower, to ensure that these initiatives are carried out effectively. By outlining clear timelines, responsibilities, and performance targets, the Annual Work Plan and Budget facilitates accountability, transparency, and alignment with the overarching Strategic Plan. They

serve as dynamic guides, helping the Department adapt to changing circumstances and enabling it to monitor progress towards its strategic goals while making informed decisions to optimize their operational efficiency and effectiveness.

6.1.3 Performance Contracting

Performance Contracting is part of the broader Government reforms of performance management. It defines specific performance targets and timelines for implementation of agreed upon targets and priorities. By setting clear performance standards and incentives, performance contracting facilitates the efficient execution of strategic plans, encourages continuous improvement, and enhances transparency in monitoring and evaluation processes. It offers a results-driven framework that can be particularly effective to ensure that strategic objectives are achieved with measurable outcomes. The State Department will align individual and team efforts with the strategic goals, fostering accountability and motivation. The Principal Secretary will sign the annual Performance Contracts with the Heads of Departments in the State Department. The State Department shall also undertake Staff Performance Appraisals for all staff. The State Department shall undertake quarterly and mid-year individual performance reviews with a final end year objective performance appraisal for the entire organization.

6.2 Coordination Framework

The coordination framework for the implementation of the State Department's Strategic Plan is well-structured to ensure the effective realization of the Department's goals. At its core, the institutional framework is designed with clear hierarchies and responsibilities, fostering accountability and transparency. Staffing levels are optimized to match the plan's requirements, with a focus on recruiting individuals possessing diverse skill sets and competencies to cover a wide range of desired set of skills and competencies. Strong leadership is emphasized, with visionary leaders who provide direction, motivation, and strategic guidance to the workforce. Systems and procedures are key to enabling efficient workflow, data management, and performance tracking. This comprehensive framework synergizes the Department's human resources, expertise, and administrative processes, ultimately facilitating the successful execution of the Strategic Plan and the enhancement of Industry performance in the country.

6.2.1 Institutional Framework

The institutional framework encompasses the organizational structure, policies, procedures, and decision-making mechanisms within the State Department. Every financial year, the State Department shall extract annual activities and targets from the Action Plan. This will inform the Annual Work Plan and budget which will then be cascaded accordingly for each functional area. Preparation of the AWP and Budget will begin a few months to the expiry of each financial year, for implementation at the beginning of the following financial year. To ensure early planning and

financial alignment, a projected 3-year budget will be developed under the MTEF. The AWP for the first year of implementation is provided in **Appendix II**.

6.2.1.1 Organizational Structure of the State Department for Industry

The State Department for Industry is under the Ministry of Investment, Trade and Industry which is headed by the Cabinet Secretary. The Principal Secretary, State Department for Industry is the Accounting Officer for the State Department. The organizational structure provides for an Industrialization Secretary who is the head of the technical directorates. Further, there are 10 Regional Field Offices each covering a cluster of counties. The functions of the technical directorates are as discussed below:

Industrialization Secretary

The functions of Industrialization Secretary Directorate will be as follows: provide technical advice to the Principal Secretary on all industrialization matters; planning, formulating, coordinating, and implementing the National Industrialization Policies; formulating, coordinating, and implementing Industrial Property Rights Policies; providing support for the arbitration and settlement of Industrial Property Rights and disputes on standards; promoting industrial research and development, innovation and technology transfer; coordinating the development and enforcement of quality standards; providing support to strategic industries; ensuring the revitalization of underperforming industries; coordinating bilateral, regional, multilateral and international matters relating to industrial development activities in conjunction with the other public and private organizations; overseeing and ensuring preparation and implementation of industrial strategic objectives; developing linkages with bilateral, regional and international organizations on industrialization matters; providing an enabling environment for domestic and foreign direct investment; preparing and implementing the department's performance contracts, and performance management systems; instituting operational accountability; management of the department's resources; and supervising, training and development of departmental staff.

Agro-Industries

The functions of the Directorate are: Formulation and coordination of the implementation of Agro-Industries development policies, strategies, programmes and projects; Identification of industrial investment opportunities and preparation of bankable projects for Agro-Industries; Facilitation of increased investment in Agro-Industries; Coordinate cluster development and Agro-processing value chains; Coordinate preparation of pre-feasibility and feasibility studies to facilitate Agro-processing investments; Facilitation of a conducive environment for increased investment in agro-industries; Promoting food safety and quality standards in Agro-industries; Promoting local content development in Agro-industries; Promoting environmental sustainability and cleaner production in Agro-industries; and Promoting skills development and technology transfer in Agro-industries.

Enterprises Development

The functions of the Directorate are; to promote the development of entrepreneurial culture and innovation for Micro, Small & Medium Industries (MSMIs); develop and implement Strategies to promote the growth and graduation of (MSMIs); coordinating resource mobilization and partnerships for Programmes and Projects targeting (MSMIs); coordinating and facilitating linkages between (MSMIs) and service providers; undertaking capacity building of (MSMIs) entrepreneurs, coordinating the implementation of market access programmes for products made by (MSMIs); and to developing, reviewing and disseminating policies related to MSMIs.

Chemicals and Mineral Industries

The functions of the Directorate are; to formulate, review and disseminate Chemical & Mineral Industries development Policies and Strategies; Promoting Sound Chemical Management in manufacturing industries and elimination of the use of hazardous chemicals and Ozone depleting chemicals; Promoting investments in Chemical and Mineral Industries; Promoting cleaner production technologies in the field of Chemical and Mineral Industries; Promoting Sustainable development in Chemical and Mineral Industries including Greening Kenya Initiatives; and Promoting local content initiatives.

Engineering and Construction

The functions of the Directorate is; Formulation and coordination of the implementation of Engineering & Construction Industries development Policies and Strategies; Promotion and facilitation of investments in Engineering & Construction industries; Promotion of Automotive Sector; Promotion of Furniture sector; Promotion of development of appropriate skills and knowledge for enhanced production by the Engineering & Construction Industries; Promotion of mainstreaming innovation, research and development within the Engineering & Construction Industries; Promoting Development of appropriate skills and knowledge for Engineering & Construction; Promoting technology transfer and disseminating best practices in Engineering & Construction; Promotion of local content development in Engineering & Construction Industries; and Strengthening of scrap metal regulatory capacity.

Industrialization Field Services

The functions of the Directorate are: promoting industrialization at the County Level; coordinating inter-governmental linkages, projects and programmes; collaborating with stakeholders in the counties on industry, enterprise, investment matters, county resource mapping for value addition and investment; carrying out resource surveys and endowment mapping in the counties and identifying industrial investment opportunities; linking innovators and entrepreneurs to potential investors, financiers and markets; coordinating collection and dissemination of county investment

and industrial intelligence; providing business development services and business information to target beneficiaries in the counties; and liaising with other directorates on information on county industrial development.

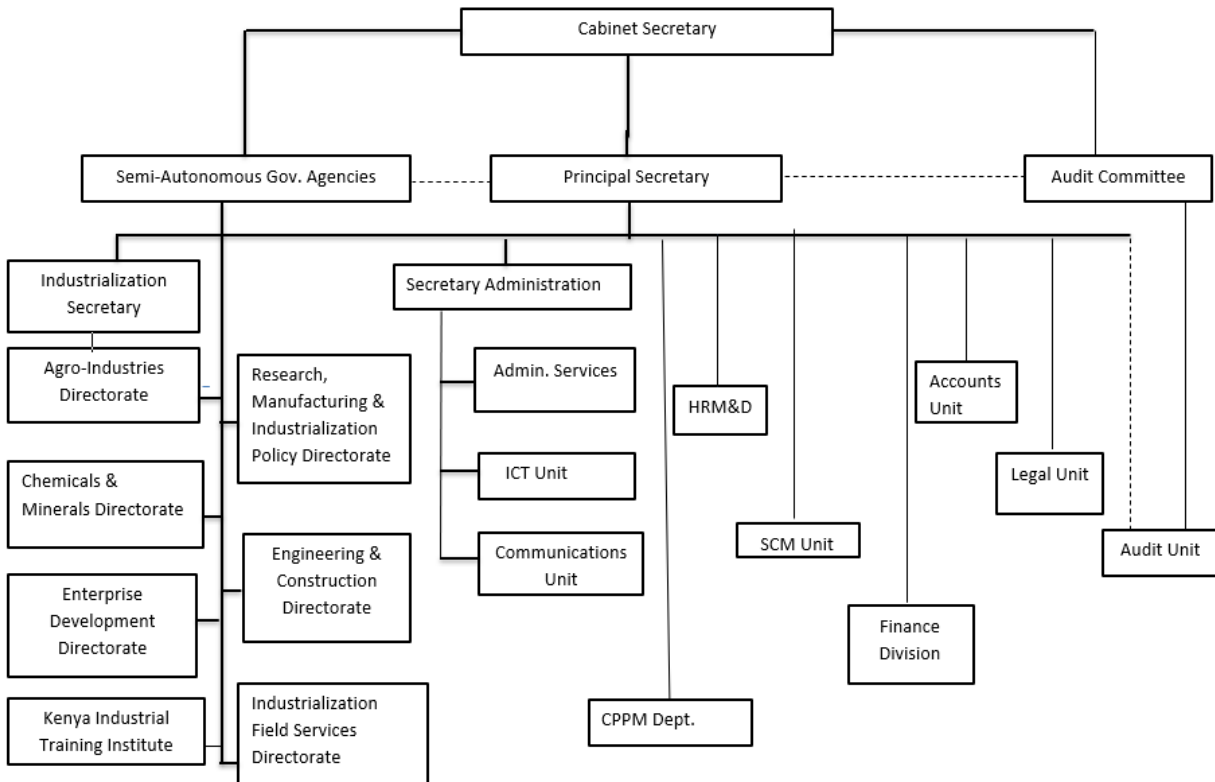
Research, Manufacturing and Industrialization Policy

The functions of the Directorate are: Coordination of formulation and review of National Industrial and manufacturing Policies; Finalization and implementation of the Buy Kenya Build Kenya and local content policies; Formulation and enforcement of legislative and regulatory frameworks for Industrial development; Oversight of the implementation of developed policies; Collection, processing, analyzing, storage, retrieval and dissemination of information; Promotion and facilitation of industrial investment opportunities; Identification of under-performing Industries and proposed areas of facilitation and the revival of Strategic Industries; Initiation of research on issues and trends on national industrial development; and Dissemination of research findings to stakeholders.

Kenya Industrial Training Institute (KITI)

The mandate of KITI is ‘To train artisans, technicians and middle level managers on industrial skills and with a strong component on entrepreneurial skills’. It is from this mandate that the institute’s functions are drawn. The functions include identification, training, development and advisory services to fresh trainees and staff of MSMEs, product improvement and prototype development. Other functions are: preparation and implementation of curricula; design of training programs/projects; undertaking research on industrial training; undertaking industrial development consultancy services; conducting market surveys and trends on industrial training; collaborating with examining bodies and training providers; identifying, adoption, improvement and dissemination of industrial technology.

Organization Structure for the State Department for Industry



6.2.2 Staff Establishment, Skills Set and Competence Development

The government's commitment to providing efficient services to its workforce requires the enhancement of the existing human resources to ensure their retention through a robust career management system. The need to have an effective guide for career management in the Civil Service cannot, therefore, be overemphasized. For the State Department for Industry to deliver on its mandate of facilitating an accelerated growth of the industrial sectors through provision of an enabling policy, legal and institutional framework, career management tools must specify competences required for all cadres.

The State Department for Industry has an approved staff establishment of 877 with 390 employees in-post. It should be noted that the optimal staffing level for the State Department is 990 leaving an overall shortage of 614 staff. The central functions of the State Department for Industry are headquartered in Nairobi with support from 10 field offices each covering a cluster of counties. The State Department has a monthly estimated budget of Kshs. 36.25 Million primarily allocated for covering personnel emoluments.

The growth and improvement of SDfI hinges on the development of staff establishment, skills set, and competence development. In pursuit of this objective, the State Department is focused to implement various considerations and strategies to cultivate a highly skilled and competent workforce capable of propelling the growth and development of the Industrial sector, for the overall economic and social development of the country.

Table 6.2: Staff Establishment

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Office of the Cabinet Secretary				
Cabinet Secretary	1	1	0	-1
Advisor Industry	0	0	0	0
Assistant Director Office Administrative Services	1	1	1	0
Principal Assistant Office Administrator	0	0	1	1
Senior Assistant Office Administrator.	1	1	0	-1
Principal Driver	1	1	1	0
Driver I/ Senior/ Chief	1	1	2	1
Cleaning Supervisor II/I	2	2	2	0
Chief Administrative Secretary's Office				
Chief Administrative Secretary	1	1	0	-1
Assistant Director Office Administrative Services	1	1	0	-1
Senior Office Administrator.	0	0	0	0
Principal Driver	1	1	0	-1
Driver I/Senior/Chief	1	1	0	-1
Cleaning Supervisor II/I	1	1	0	-1
Office of the Principal Secretary				
Principal Secretary	1	1	1	0
Personal Assistant	0	0	0	0
Assistant Director, Office Administrator	1	1	0	-1

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Assistant Office Administrator II/I/ Senior/Principal	1	1	2	1
Principal Driver	1	1	0	-1
Driver I/Senior/Chief	1	1	2	1
Cleaning Supervisor II/I	2	2	2	0
Industrialization Secretary's Office				
Secretary Industrialization	1	1	1	0
Assistant Director industries	0	0	0	0
Principal Industrial Development Officer	0	0	0	0
Industrial Development Officer II/I	0	0	0	0
Senior Office Admin. Assistant	1	1	1	0
Driver III/II/I/Senior/Chief	1	1	1	0
Support Staff III/II/I/Senior/supervisor	1	1	1	0
Agro-Industries Directorate				
Director of Industries	1	1	1	0
Deputy Director Industries	2	2	1	-1
Assistant Director Industries	3	3	1	-2
Principal Industrial Development Officer	8	8	1	-7
Senior Industrial Development Officer	10	10	0	-10
Industrial Development Officer	15	15	1	-11
Chemicals & Minerals Directorate				
Director, Industries	1	1	0	0
Deputy Director Industries	3	3	2	-2

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Assistant Director Industries	3	3	1	-3
Principal Industrial Development Officer	8	8	3	-5
Senior Industrial Development Officer	10	10	0	-10
Industrial Development Officer II/I	15	15	1	-13
Engineering & Construction Directorate				
Director of Industries	1		1	0
Deputy Director Industries	2		3	1
Assistant Director Industries	3		3	1
Principal Industrial Development Officer	8		1	-7
Senior Industrial Development Officer	10		0	-10
Industrial Development Officer II/I	15		1	-14
Enterprise Development Directorate				
Director of Industries	1	1	0	0
Deputy Director of Industries	2	2	2	-1
Assistant Director Industries	3	3	3	0
Principal Enterprise Development Officer	8	8	2	-5
Senior Industrial Development Officer	10	10	0	-10
Industrial Development Officer II/I/Senior/Chief	15	15	2	-10
Research, Manufacturing and Industrialization Policy Directorate				
Director of Industries	1	1	1	0
Deputy Director Industries	2	2	4	2
Assistant Director Industries	3	3	1	-3

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Principal Industrial Development Officer	5	5	1	-5
Senior Industrial Development Officer	8	8	0	-8
Industrial Development Officer II/I	10	10	2	-3
Industrialization Field Services Directorate				
Director of Industries	1	1	1	5
Deputy Director Industries	12	12	2	-5
Assistant Director Industries	39	39	7	-31
Principal Industrial Development Officer	49	49	2	-45
Senior Industrial Development Officer	49	49	0	-49
Industrial Development Officer II/I	49	49	15	-34
Private Sector Development & Business Environment				
Director of Industries	1	1	1	0
Deputy Director Industries	2	2	2	0
Assistant Director Industries	3	3	1	-3
Principal Industrial Development Officer	5	5	2	-4
Senior Industrial Development Officer	8	8	0	-8
Industrial Development Officer II/I	10	10	0	-10
Kenya Industrial Training Institute				
Technical – KITI				
Director	1	1	0	-1
Deputy Director, KITI	5	5	0	-5
Assistant Director, KITI	9	9	2	-8

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Principal Lecturer	24	24	16	-8
Lecturer I	15	15	9	-6
Lecturer III/II	25	25	22	-3
Senior Principal Instructor	10	10	0	-10
Principal Instructor	8	8	0	-8
Senior Instructor I	8	8	0	-8
Instructor I	11	11	0	-11
Instructor III/II	26	26	13	-13
Counselor II/I/Senior	2	2	0	-2
Artisan III/II/I Charge hand	8	8	1	-7
Laboratory Technician III/II/I	3	3	0	-3
SUPPORT SERVICES - KITI				
Assistant Director, Library Services	1	1	0	-1
Principal Librarian	2	2	0	-2
Senior Librarian	1	1	0	-1
Librarian II/I	1	1	0	-1
Library Assistant I	1	1	1	0
Library Assistant III/II	2	2	0	-2
Principal Accountant	1	1	0	-1
Senior Accountant	2	2	0	-2
Accountant II/I	3	3	2	-1
ICT Officer I	1	1	0	-1

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
ICT Officer III/II	1	1	0	-1
Records Management Officer I	2	2	0	-2
Records Management Officer III/II	3	3	0	-3
Housekeeper /Cateress /Hospitality Officer	1	1	0	-1
Housekeeper /Cateress III/II/Hospitality Officer	3	3	0	-3
Principal Cateress	1	1	0	-1
Senior Cateress	1	1	0	-1
Principal Assistant Office Administrator	1	1	1	0
Senior Office Admin. Assistant	2	2	0	-2
Assistant Office Administrator I	1	1	0	-1
Office Admin. Assistant III/II	2	2	0	-2
Chef/ Assistant Chef	0	0	2	2
Assistant House Keeper1/Cateress	6	6	1	-6
Senior Supply Chain Management. Officer	1	1	0	-1
Supply Chain Management. Officer II/I	1	1	0	-1
Supply Chain Management. Assistant II/I	2	2	3	1
Supply Chain Management. Assistant IV/III	3	3	0	-3
Chief Clerical Officer	1	1	4	3
Clerical Officer II/I/Senior	4	4	1	-3
Driver III/II/I/Senior./Chief	6	6	2	-4
Cook III/II/I	12	12	0	-12
Security Warden III/II/I	2	2	0	-2

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Senior Public Communication Assistant	1	1	0	-1
Public Communication Assistant II/I	1	1	0	-1
Public Communication Assistant III/II/I	1	1	2	1
Human Resource Management. Officer II/I	1	1	0	-1
Human Resource Management. Assistant I	1	1	0	-1
Human Resource Management. Assistant III/II	1	1	0	-1
Support Staff III/II/I/Senior/Supervisor	10	10	10	0
SUPPORT SERVICES, HEADQUARTERS				
Administration				
Secretary Administration	1	1	1	0
Director, Administration	0	0	1	1
Under Secretary	1	1	1	0
Senior Assistant Secretary	1	1	1	0
Assistant Secretary Cadet I	0	0	0	0
Assistant Secretary Cadet/III/II	1	1	1	0
Records Management				
Assistant Director, Records	1	1	0	-1
Senior Records Management. Officer	1	1	1	0
Records Management. Officer I	1	1	1	0
Records Management. Officer III/II	2	2	3	1
Other Administrative Support Services				
Assistant Director, Library Services	0	0	1	1

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Principal Librarian	1	1	0	-1
Principal Assistant Office Administrator	4	4	5	1
Senior Assistant Office Administrator	8	8	8	0
Assistant Office Administrator I	4	4	3	-1
Senior Office Administrative Assistant	5	5	1	-4
Public Communication Assistant II/I	1	1	1	0
Principal Clerical Officer	1	1	7	6
Chief Clerical Officer	2	2	11	9
Principal Driver	3	3	4	1
Office Administrative Assistant I	5	5	7	2
Librarian Assistant II/I/Senior	1	1	0	-1
Assistant Office Administrator III/II	5	5	5	0
Office Administrative Assistant III/II	7	7	3	-4
Clerical Officer II/I/ Senior	30	30	40	10
Telephone Operator II/I/Senior	1	1	0	-1
Security Warden III/III/Senior	3	3	3	0
Driver III/II/I/Senior/Chief	27	27	26	-1
Support Staff III/II/I/Senior	30	30	35	5
Human Resource Management and Development				
Director HRM	1	1	1	0
Assistant Director HRM	1	1	0	-1
Principal Human Resource Management Officer	3	3	0	-3

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Principal Human Resource Management Assistant	1	1	3	2
Senior Human Resource Management Officer	2	2	0	-2
Senior Human Resource Management Assistant	2	2	3	1
Human Resource Management Officer II/I	3	3	3	0
Human Resource Management Assistant I	1	1	0	-1
Human Resource Management Assistant III/II	1	1	1	0
Accounts				
Senior Deputy Accountant General	0	0	1	1
Deputy Accountant General	0	0	1	1
Assistant Accountant General	1	1	2	1
Principal Accountant	3	3	1	-2
Senior Accountant	3	3	4	1
Accountant II/I	2	2	5	3
Finance				
Senior Chief Finance Officer	1	1	1	0
Senior Principal Finance Officer	1	1	1	0
Principal Finance Officer	1	1	2	1
Finance Officer I	0	0	0	0
Finance Officer III/II	1	1	1	0
Information Communication Technology				
Director, Information Communication Technology	1	1	1	0

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Variance D= (B-C)
Assistant Director, Information Communication Technology.	1	1	1	0
Principal ICT Officer	1	1	1	0
Senior Information Communication Technology. Officer	1	1	5	4
Information Communication Technology. Officer II/I	1	1	1	0
Central Planning and Projects Monitoring Department (CPPMD)				
Director Planning	1	1	1	-1
Chief Economist	0	0	0	0
Principal Economist	1	1	2	1
Senior Economist	2	2	0	-2
Economist II/I	2	2	4	3
Supply Chain Management Unit				
Deputy Director of Supply Chain Management Services	1	1	1	0
Assistant Director of Supply Chain Management Services	0	0	1	0
Principal Supply Chain Officer	1	1	0	1
Senior Supply Chain Officer	1	1	2	1
Senior Supply Chain Management Asst	1	1	0	-1
Supply Chain Management Officer III/II	1	1	2	0
Supply Chain Management Assistant II/I	1	1	5	-2
Supply Chain Management Assistant IV/III	1	1	2	1
Public Communication Division				

Cadre	Approved Establishment (A)	Optimal Staffing levels (B)	In-post (C)	Varian ce D= (B- C)
Deputy Director Of Public Communication	1	1	0	-1
Public Communications Officer II/I/Senior	1	1	2	-1
Public Communications Assistant III/II	0	0	0	0
Legal Unit				
Deputy Chief State Counsel	1	1	1	0
Principal State Counsel	1	1	1	0
Standard Tribunal				
Chairman	0	0	1	1
Deputy Chief State Counsel	0	0	0	1
Industrial Property Tribunal				
Chairman	0	0	1	1
Internal Audit				
Senior Asst Internal Audit General I	0	0	1	1
Asst. Internal Audit General	0	0	1	1
Principal Internal Auditor	0	0	1	1
TOTAL	878	990	416	-462

6.2.2.1 Skills Set

The State Department requires a diverse skill set, encompassing both technical knowledge and administrative capabilities in all cadres. Industries are engines of economic growth, contributing to government's revenue, international trade, social services, and employment. The growth rate of the industrial sector directly impacts the country's overall growth rate. Therefore, equipping Industry's staff with the right skills and qualifications is instrumental in their effective contribution to the development and improvement of the State Department. This is to ensure that the State Department for Industry can effectively deliver on its mandate.

6.2.2.2 Skills Gap

Addressing the skills gap in the State Department and bridging the skills gap to ensure a well-prepared and competitive workforce requires a comprehensive approach. Skills gaps are a dynamic process that requires collaboration among employers, educational institutions, policymakers, and individuals. Continuous monitoring of industry trends and proactive measures can help mitigate the impact of skills gaps on workforce productivity and economic growth in the State Department.

6.2.2.3 Competence Development

To address these gaps, the recruitment of new staff members with the required skills and qualifications becomes necessary. It is crucial that the recruitment processes be transparent and merit-based to ensure that the most qualified individuals are employed to fill identified gaps. Competence development in the State Department is essential for promoting efficiency, productivity, innovation, and the overall improvement of the sector.

Table 6.3 Skills Set and Competence Development

Cadre	Skills set	Skills Gap	Competence Development
Industrial Development Officers	• Business Management/Administration • Training of trainers (ToT) • Report writing • SMC • SLDP • Business Development Service • Industrial Productivity Knowledge • Data analysis • Communication Skills • Problem-Solving • Project management	• Quality assurance • Continuous professional development • Funding proposal writing • Proficiency in data analysis • Resource mobilization • Policy Development • Environmental Management • Report writing • SMC • SLDP • Training of trainers (ToT)	• Capacity building on quality assurance • Digital skills • SLDP • SMC • Continuous professional Development • Resource mobilization • Policy Development • Report writing • SMC • SLDP • Training of trainers (ToT)
Enterprise Development Officer	• Entrepreneurship Management • Training of trainers (ToT) • Report writing • SMC • SLDP • Computer application • Managerial skills • Interpersonal Skills • Quality assurance and control skills • Communication Skills • Problem-Solving • Data analysis • Project management • Leadership • Team work • Financial management	• Quality assurance • Continuous professional development • Policy Development • Environmental Management • Funding proposal writing • Proficiency in data analysis	• Capacity building on quality assurance • Capacity building • Digital skills • Policy Development • SLDP • SMC • Continuous professional Development
Administrative Services	• SLDP • SMC • Paramilitary course	• SLDP • SMC • Paramilitary course	• SLDP • SMC • Paramilitary course

Cadre	Skills set	Skills Gap	Competence Development
	• performance measurement • Leadership and Teamwork • Interpersonal Skills • Problem-Solving • Communication skills • Report writing	• Performance measurement	• Performance measurement
Accountants	• Budget implementation • Financial reporting • Communication Skills • ICT and Technology Proficiency • IFMIS competency • Interpersonal Skills • Problem-Solving • Quality assurance and control skills • Cultural Sensitivity • Leadership and Teamwork	• Knowledge of PFM ACT and guidelines • Proficiency in data analysis • Proficiency in preparation of financial reports	• IFMIS Training • SMC • SLDP • Financial reporting • Quality assurance and control skills training.
Finance officers	• Financial Management • Budget preparation • Interpersonal Skill • Problem-Solving • ICT and Technology Proficiency • IFMIS competency	• Financial Analysis • Financial Reporting • Knowledge of PFM ACT and guidelines Risk Management • Regulatory Compliance • Cash Flow Management • Cost Control and Expense Management • Ethical and Professional Conduct	• IFMIS Training • SMC • SLDP • Financial reporting • Quality assurance and control skills training. • Budget preparation
Supply Chain Management	• Procurement planning • IFMIS competency • Sourcing skills • Receipting & warehousing • Stock control • Tender / RFP processing • Budgeting skills • Financial management	• Tender / RFP processing • Budgeting skill • IFMIS competency • Sourcing skills • Receipting & warehousing • Negotiation skills • Regulatory compliance knowledge • Inventory management skills	• Tender / RFP processing upskilling • Budgeting skills training • IFMIS Training • Sourcing skills • Receipting & warehousing training • Training on Financial and risk management • regulatory compliance

Cadre	Skills set	Skills Gap	Competence Development
	• Legal and regulatory knowledge • Ethics and values • Inventory management • data analysis • Report writing		• SMC • SLDP • ICT
Economists/Planning Officers	• Policy Development • Program Management • Monitoring and Evaluation • Data Analysis • Communication Skills • ICT and Technology Proficiency • Interpersonal Skills • Problem-Solving • Cultural Sensitivity • Leadership and Teamwork	• Project Management Skills to enhance project planning, scheduling, budgeting, and risk management. • Proficiency in data analysis, performance measurement, and reporting to track project progress and outcomes. • Quality assurance and control skills to ensure project deliverables meet established quality standards. • Project management software and tools, such as Microsoft Project	• Project management skills training. • Data analysis skills training. • Quality assurance and control skills training. • Project management software skills training • Project Monitoring and evaluation skills training. • SMC • SLDP
Human Resource Management and Development	• Policy Development • Program Management • Monitoring and Evaluation • Data Analysis • Communication Skills • Interpersonal Skills • Problem-Solving • Leadership • Industrial Relations • Pre-retirement • Training of trainers (ToT) • Report writing • SMC • SLDP • ICT/Computer proficiency	• Budgeting, • performance measurement, • Proficiency in data analysis • Pensions processing • Complement control • Training of trainers (ToT) • Leadership skills • Report writing	• SMC • SLDP • Records management, • Pensions skills, • IPPD Skills • Complement control skills • Data analysis skills • Budgeting • Performance management • Training of trainers (ToT) • Leadership skills • Report writing skills

Cadre	Skills set	Skills Gap	Competence Development
	• Public/Business Administration • Management Induction course • Certified Public Secretaries (CPS) • Records management, • Pensions skills, • IPPD Skills • Complement control skills		
Public Communications	• Mass Communication • International Relation • Communication Skills • Journalism • Public relations • interpersonal skills • International Relations • ICT / Computer • SMC • SLDP	• Communication Skills • ICT / Computer • Public relations • interpersonal skills	• Communication Skills • ICT / Computer • Public relations • interpersonal skills
Information Technology Communication	• ICT infrastructure management. • Network administration. • Security management. • Technical support. • Problem-solving. • Project management. • Communication. • Vendor management.	• Web Management • Project management • ICT infrastructure management. • Network administration • Programming and coding	• Cyber security • Data management and analytics • Network and cloud Computing • Network and programming • SMC • SLDP
Legal Services Unit	• Legal and regulatory knowledge • Communication skills • Negotiation Skills	• Alternative Dispute Resolution • Specialized legal knowledge • Regulatory compliance	• Alternative Dispute Resolution • Specialized legal knowledge • Regulatory compliance • SMC • SLDP

Cadre	Skills set	Skills Gap	Competence Development
			• Communication skills • Report writing
Transport Unit (Drivers)	• Transport logistics • Occupational trade test • Suitability test • Defensive driving • First Aid • Refresher course	• Occupational trade test • Suitability test • Defensive driving • First Aid • Refresher course	• Occupational trade test • Suitability test • Defensive driving • First Aid • Refresher course
Clerical Officers	• Record management • ICT Skills • Communication • Supervisory skills • Proficiency examination • Confidentiality and integrity	• Data entry • Basic Data analysis	• Data entry • Basic Data analysis • Communication skills • Report writing
Records Management Unit	• Records management • ICT Skills • Communication • Supervisory skills • Proficiency examination • Library science • Information management • Confidentiality and integrity	• Data entry • Basic data analysis	• Data entry • Basic data analysis • Communication skills • Report writing
Messengerial Services/SS	• Communication Skills • Customer care • Public relations • interpersonal skills • Record keeping • Time management • Confidentiality and integrity	• Communication Skills • Customer care • Public relations • Interpersonal skills • Record keeping	• Communication Skills • Customer care • Public relations • Interpersonal skills
Secretarial /Office Administrators	• Front office operations • Customer care • Data entry	• Communication Skills • Public relations • Interpersonal skills	• Communication Skills • Public relations • Interpersonal skills

Cadre	Skills set	Skills Gap	Competence Development
	• Communication Skills • Public relations • Interpersonal skills • Confidentiality and integrity	• Organization of Meetings and events • Digital literacy	• Customer care • Training on Coordination and organization of meetings and events • Digital literacy
Telephone Services	• Communication Skills • Public relations • interpersonal skills	• Communication Skills • Public relations • interpersonal skills	• Communication Skills • Public relations • Interpersonal skills • Customer care
Lecturers /Instructors	• SLDP • SMC • Supervisory skills • ICT • Training of Trainers (ToT) • Pedagogy • Continuous Professional Development (CPD) • Data entry • Communication Skills • Public relations • Interpersonal skills • Confidentiality and integrity • Report writing • Time management • Problem solving • Project management • Records Management • Leadership & team work	• SLDP • SMC • Supervisory skills • ICT • Training of Trainers (ToT) • Pedagogy • Continuous Professional Development (CPD)	• SLDP • SMC • Supervisory skills • ICT • Training of Trainers (ToT) • Pedagogy • Continuous Professional Development (CPD)

6.2.3 Leadership

Successful implementation of this Strategic Plan shall be dependent on the capacity of the State Department. The State Department has the full capacity that shall ensure well-coordinated activities in the view of achieving the targets of the Strategic Plan in the five (5) year plan period. The Principal Secretary-Industry is in charge of the day-to-day activities of the State Department and the overall in charge of the Strategic Plan implementation. This Strategic Plan will further be executed under the leadership derived from the seven (7) directorates with support provided in the administrative departments (finance, planning, procurement, ICT, Communication, legal, audit and Human Resource). The SAGAs shall also compliment the State Department in order to achieve the planned outcomes for the Strategic Plan.

6.2.4 Systems and procedures

In order to ensure the successful implementation of this Strategic Plan, the State Department will develop, review and implement clearly defined processes, and standard operating procedures. This will enable well-structured and efficient internal systems for business process improvements through assessment of Existing Internal Systems and Standard Operating procedures. Assessment of internal systems will identify strengths, weaknesses, gaps, and areas requiring improvement. Common areas of assessment will include governance structures, human resource management, financial management, data management, and stakeholder engagement. In addition, the State Department shall ensure the following;

- i. Governance and Organizational Structure: Establish clear governance structures and roles and responsibilities; Ensure coordination between the State Department, and Agencies.
- ii. Human Resource Management: Assess the adequacy of staff in terms of numbers and competencies; Develop a comprehensive training and development program for staff; and Establish performance evaluation and incentive mechanisms.
- iii. Financial Management: Conduct a financial audit to identify financial inefficiencies; Develop a robust budgeting and financial planning process; and Implement systems for financial monitoring and reporting.
- iv. Data Management and Monitoring: Upgrade data collection, storage, and analysis systems; Define key performance indicators (KPIs) for tracking progress; and establish a monitoring and evaluation framework.
- v. Stakeholder Engagement: Conduct a stakeholder analysis to identify key partners and their roles; establish mechanisms for regular communication and collaboration with stakeholders; and get feedback from relevant stakeholders.
- vi. Standard Operating Procedures (SOPs): Develop SOPs for programs in the State Department and enhance quality assurance; and create guidelines for industry partnerships programs.

- vii. Capacity Building: Develop a training plan to enhance the capacity staff; establish partnerships with international organizations for technical assistance and knowledge transfer.
- viii. Resource Mobilization: Develop strategies for resource mobilization, including public-private partnerships and development partner funding.
- ix. Communication and Awareness: Develop a comprehensive communication plan to raise awareness of the role of industry.
- x. Risk Management: Identify potential risks and mitigation strategies; establish a crisis management plan to address unforeseen challenges.

6.3 Risk Management Framework

Risk refers to the exposure that an organization has to factors that will lead it to fail. Anything that threatens an organization's ability to achieve its goals is considered a risk. The Industry Sector faces a number of risks in the course of operations. These include: inadequate funding, inadequate staff, technological and operational risks and social risks.

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 Measures
1.	Change in government priorities and policies	L	H	M	● Re-align the strategic direction to the present Government Agenda
2.	Inadequate funding	H	M	H	● Lobby for resources ● Diversify resource streams ● Prioritization and phased approach in project implementation ● Prudent resource utilization
3.	Inadequate staff	M	L	M	● Recruit competent staff ● Outsource non-core functions ● Compliance with PSC procedures
4.	Cyber security	M	H	H	● Fire walls Sensitization
5.	Social risks (Drug abuse and crimes)	M	L	M	● Sensitization ● Guiding and Counseling
6.	Staff turn-over	M	L	M	● Succession planning
7.	Occupational hazards	M	M	M	● Sensitization ● Procure protective equipment ● Safety officer in place
8.	Litigation	M	M	M	● Comply with relevant legal provisions ● Adhere to contractual obligations ● Embrace Alternative dispute resolution mechanism
9.	Rapid technological changes	M	M	M	● Continuous upgrade of equipment and software ● Continuous capacity building
10.	Negative publicity	L	M	M	● Develop and implement a domesticated robust communication and advocacy strategy

CHAPTER SEVEN: RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

Overview

This Chapter presents the financial requirements, resource gaps, resource mobilization strategies and resource management for implementing the Strategic Plan.

7.1 Financial Requirements

This section outlines the financial resource requirements projected by Key Result Area for a five-year period. The projections are as shown in Table 7.1 below

Table 7.1 Financial Requirements for Implementing the Strategic Plan

Key Result Area	Projected resource requirements (Kshs.Mn)					
	Y1	Y2	Y3	Y4	Y5	TOTAL
KRA 1.1: Market access for manufactured products	-	120.00	-	10.00	-	130.00
KRA 1.2 Products competitiveness	100.00	250.00	260.00	270.00	280.00	1,160.00
KRA 2.1: Create formal and informal manufacturing jobs	362.00	170.00	582.00	221.00	597.00	1,932.00
KRA 2.2 Reskilling and upskilling of workers	109.00	365.00	312.00	322.00	342.00	1,450.00
KRA 3.1: Manufacturing sector output/Industrial Growth and Development	45.00	195.00	290.00	155.00	156.00	841.00
KRA 3.2 Enhancement of Value addition	5,185.0	5,561.5	4,786.0	584.00	496.00	16,612.5
KRA 3.3 Industrial research, innovation and technology development	119.00	225.20	188.40	242.40	232.40	1,007.40
KRA 4.1: Sustainable National quality infrastructure	-	23.00	10.00	168.00	310.00	511.00
KRA 5.1: Sustainability of manufacturing industries	34.00	64.00	82.00	76.00	86.00	342.00

KRA 6.1: Enhanced Capacity for Service Delivery	99.00	165.00	165.00	139.00	125.00	693.00
<i>Administrative cost</i>	1,175.70	1,751.00	2,445.00	2,988.00	3,137.40	11,497.10
Total	7,228.70	8,889.70	9,120.40	5,175.40	5,761.80	36,176.00

Table 7.2 Resource gaps

Financial Year	Requirement (Kshs. Mn)	Estimated Resource Allocation (Kshs. Mn)	Variance (Kshs. Mn)
2023/24	7,228.70	7,201.34	(27.36)
2024/25	8,889.70	6,794.28	(2,095.42)
2025/26	9,120.40	8,137.00	(983.40)
2026/27	5,175.40	4,410.44	(764.96)
2027/28	5,761.80	4,851.48	(910.32)
Total	36,176.00	31,394.54	(4,781.46)

7.2 Resource Mobilization Strategies

The State Department shall mobilize funds to implement the Strategic Plan and achieve all the set objectives. The mobilized funds shall bridge the resource gaps identified in Table 7.2. The resources will be sourced from development partners and internally generated activities. Cumulatively, the institute has a projected financial requirement of **Kshs. 36,176.00 Million** over the 5-year Strategic Plan implementation period against an estimated allocation of **Kshs. 31,394.54 Million**. The resource gap of **Kshs. 4,781.46 Million** shall be bridged from the following sources:

- a) **Seek Support from the Government-** The Department will lobby for additional funding from the Government for development of infrastructure as well to enable the State Department to play its role in the promotion of industry.
- b) **Seek Development Partners and Industry Players Support** -The State Department will attract technical and financial support from development partners and private sector players. In this regard, the Department will develop proposals seeking funding from potential partners and private sector players.

c) Use of Internally Generated Resources- The State Department intends to enhance income generating activities during the Strategic Plan period. Resources from these projects will be utilized in implementing the 2023-2027 Strategic Plan.

7.3 Resource Management

The State Department will prioritize programs to enable the realization of its mandate as well as the Bottom-up Economic Transformation Agenda (BETA). In line with the constitution and the Public Finance Management Act 2012 on prudent utilization of allocated resources, the Department has prioritized and categorized its programmes and projects into Quick Wins/Shorter Term (implementable within 6 months), Medium-Term (implementable within 1 year) and Long-Term (to be implemented within 5 years).

In addition, the State Department will take up measures to ensure prudent utilization of resources as per the laid down regulations. These measures include:

- Efficient and effective implementation of processes and procedures.
- Adoption of ICT in the various processes.
- Outsourcing of non-core activities.
- Stringent financial discipline.
- Adequate risk assessment and management.
- Adherence to Public Financial Management Act (2012)
- Strengthen internal control systems
- Ensure no overlaps and duplications in delivery of service

CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

Overview

The Chapter provides the monitoring framework that tracks the progress and the implementation of the initiatives using performance indicators. The performance standards are used to assess the Institute effectiveness. It further elaborates the evaluation framework, including mid-term, end-term evaluation, reporting framework and feedback mechanism.

8.1 Monitoring Framework

Monitoring entails routine data collection and analysis of implementation progress. Monitoring, implementation of planned activities and programs (formative evaluation) will be undertaken with a view of taking corrective actions. The monitoring reports will inform relevance, efficiency, impact and sustainability of planned programs in relation to both on-going and future policies (summative evaluation). This will help in tracking implementation of the key result areas, strategic objectives, strategies, activities and expected outputs. It will also focus on input and output indicators of annual targets of the Plan. Quarterly and annual monitoring reports will inform periodical reviews to ensure the Plan remains relevant to the industry priorities.

A Monitoring and Evaluation (M&E) committee will be constituted. The team will be all inclusive to ensure availability of timely and credible data. The committee will be supported by all HoDs. In order to compliment this initiative, the department and individual member of staff will be required to prepare annual work plan in line with annual performance contracts linked to the strategic plan

An M&E team will consolidate quarterly and annual monitoring reports from the Departments using designated templates. Monitoring reports will be disseminated during stakeholder forums scheduled quarterly and annually with a view to inform progress and recommend corrective actions. Reporting will focus on the inputs, process, outputs and recommendations for improvement. The progress in terms of performance implementation of the SP will be monitored against a comprehensive set of indicators.

Progress reports, review meetings and control systems will be set up with intervention programmes used where necessary. Continuous monitoring will assist evaluate and refine monitoring framework to ensure its effectiveness and relevance. The State Department will be open to feedback and adapt an approach needed to better meet the evolving needs of the Industry.

8.2 Performance Standards

The State Department shall conduct a comprehensive assessment of its current performance against international standards which include ISO standards for quality management, and industry

specific standards. Additionally, the Department shall identify strengths, weaknesses, and gaps that need to be addressed and set clear and achievable objectives which will align with these international standards. A detailed action plans shall be prepared outlining the steps taken to meet the identified objectives, assign responsibilities, allocate resources, and establish timelines for each action. The SDfI shall invest in the professional development of staff to ensure they have the knowledge and skills necessary to meet international standards.

SDfI shall implement robust Quality Assurance mechanisms which include regular audits, assessment, and feedback mechanisms to monitor and evaluate the effectiveness of the institution's processes and programs. The department shall also engage with relevant stakeholders, including industry partners and government agencies, to ensure alignment with their expectations and needs and seek feedback and input from them throughout the process.

8.3 Evaluation Framework

The Evaluation process will be conducted on mid- term, End-term and at the end of the project level to assess impact of the plan. Programme/ Project evaluations plan will be developed to come up with programme-specific assessments during the period of strategic plan implementation. This will be based on Evaluation guidelines developed by the State Department for Economic Planning.

Midterm review will be undertaken in FY 2025/26 to ascertain the achievements against what was planned. End term review will be conducted and will focus on the extent to which the impact and outcome results have been achieved over the implementation period. This evaluation is scheduled for FY 2027/28, and the findings will be expected to inform the development of the next strategic plan. Table 8.1 outlines the outcome indicators, baselines and the targets for the Key Result Areas.

Table 8.1 Outcome Performance Matrix

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid- Term Period	End- Term Period
KRA 1.1 Market access for manufactured products	Increased export for manufactured products	Percentage increase in export of manufactured products	28	2022	34	36
KRA 1.2 Products competitiveness	Enhanced Productive Capacity	Competitive Industrial Performance (CIP) Index	0.01	2022	0.18	0.25
KRA 2.1 Create formal and informal manufacturing jobs	Increased employment opportunities	Increase in jobs created-Formal “000”	352.6	2022	3,141.0	5,000.0
		Increase in jobs created-Informal “000”	3,181.0	2022	10,272.4	15,000.0
KRA 2.2 Reskilling and upskilling of industrial workers	Increase Industrial and entrepreneurship training	Increased Industrial and entrepreneurship graduands	4,004	2022	5,000	5,700
KRA 3.1 Manufacturing sector output	Increased Manufacturing sector contribution to GDP	% Manufacturing sector contribution to GDP	7.8	2022	12.1	15.0

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid- Term Period	End- Term Period
KRA 3.2 Enhancement of Value addition	High value added products manufactured	% growth in gross value add of manufacturing	2.7	2022	7	10
KRA 3.3 Industrial research, innovation and technology	Enhanced Product competitiveness	Industrial research commercialized	46	2022	65	90
		Firms adopting 4 the industrial revolution technologies	-	2022	-	20
KRA 4.1 Sustainable National quality infrastructure	Increased uptake of standardization, accreditation and protection of intellectual properties	Percentage increase in uptake of standardization, IPRs and accreditation by MSMIs	-	2022	15	25
KRA 5.1 Sustainability of manufacturing industries	Sustainable green and circular manufacturing practices	% increase of firms adopting sustainable industry practices	-	2022	12	20
KRA 6.1 Enhanced Capacity for Service Delivery	Improved service delivery	Change in customer satisfaction level	-	2022	50	100
	Strong positive corporate culture					

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid- Term Period	End- Term Period
	Increased financial resources mobilized and enhanced efficient resources use to deliver on the mandate of SDfI	% increase in resources mobilized	-	2022	5	5
	Prudent management of the resources	Rate of Financial absorption	85	2022	100	100
	Improved service delivery through digitalization of services	Reduced Turnaround time	65	2022	40	30

8.3.1 Mid- Term Evaluation

Mid-term evaluation of the Strategic Plan will be undertaken to examine the progress towards achieving the set targets. The evaluation will be spearheaded internally by the M&E team. This will be undertaken in the FY 2025/26. Measurements of the mid-year performance will be compared to the performance standards set, deviations corrected and safeguards put in place to mitigate against recurrence of the same. The recommendations of mid-term evaluation will inform the Plan's implementation process for the subsequent years.

8.3.2 End- Term Evaluation

The end term evaluation will be conducted and will focus on the extent to which the impact and outcome results have been achieved over the implementation period. This evaluation is scheduled for FY 2026/27, and the findings will be expected to inform the development of the next strategic plan.

8.4 Reporting Framework and feedback mechanism

The Strategic Plan will be implemented through the annual work plans. The reporting will therefore include the quarterly progress reports and annual performance reports. The reporting framework and feedback mechanisms adopted for reporting on implementation of SDfI Strategic Plan interventions are in a prescribed template (*see Annex I*). Monitoring will be undertaken on a continuous basis and reporting on a quarterly basis, annually, mid-term and at the end of the Plan period leading to the preparation of the following reports:

8.4.1 Quarterly Progress Report

The reports will provide information on key indicators against set targets for the quarter informed by annual work plans. The quarterly progress reports will be used for reviewing progress in implementation of annual work plans.

8.4.2 Annual Progress Report

At the end of every financial year, an annual progress report will be prepared that objectively highlights key achievements against set targets.

8.4.3 Evaluation Reports

1. Mid-term review evaluation report: The mid-term review report will provide information on progress against the set targets and inform any requisite changes required in the programmes and projects for the remaining plan period.
2. End of plan period report: At the end of the Strategic Plan period, there will be a review to identify achievements against each set target, with an overall assessment of performance.

The review will also identify challenges encountered and make recommendations to inform the next review and planning process.

ANNEXES

Annex 1: Implementation Matrix

Table 6.1: Implementation Matrix

Strategy	Activity	Output	Output Indicators	5 Yr Target	Target					Indicative Budget (Kshs. millions)					Responsibility	
					2023/24	2024/25	2025/26	2026/27	2027/28	2023/24	2024/25	2025/26	2026/27	2027/28	Lead	Support
Strategic Issue 1: Global Competitiveness																
Strategic Goal 1: Improved product competitiveness																
KRA 1.1: Market access for manufactured products																
Outcome 1: Increased export for manufactured products																
SO1.1: To enhance market access for manufactured products																
Regulations on export and investment promotion levy	Develop the regulations on Export and Investment promotion levy	Export and Investment Promotion regulations developed	An Export and Investment Promotion levy regulations	1	-	1	-	-	-	0.0	20.0	0.0	0.0	0.0	RMIP	All Technical Directorates
	Mapping of industries	Industrial database developed and updated	Industry database	2		1	-	1	-	0.0	100.0	0.0	10.0	0.0	RMIP	All Technical Directorates
	Operationalize the Industrialization, Export and	Fund absorbed	Percentage absorption rate of the allocated fund(Kshs)	100			100	100	100	0.0	0.0	0.0	0.0	0.0	SDfI	SDT; SDfIP

	Investment promotion fund															
TOTAL										0.0	120.0	0.0	10.0	0.0		
KRA 1.2 Products competitiveness																
Outcome: Enhanced Productive Capacity																
SO 1.2: To improve product competitiveness																
Enhance Productive Capacities	Revitalize sustainable and inclusive industrialization	Enhanced Productive Capacities	Percentage product capacity	100	50	60	80	90	100	50.0	150.0	160.0	170.0	180.0	Industrialization Secretary	All Technical Directorates
Industrial Business facilitation	Establishment of karibu business support centres	Business support Centre established	Business centre in place	10	1	3	3	2	1	10.0	30.0	30.0	30.0	30.0	IFS	All Technical Directorates
Exhibition and Industrialization conferences	Conduct the Kenya industrialization week and Industrialization conference	Industrialization week and Industrialization conference held	No of conference Reports	5	1	1	1	1	1	40.0	40.0	40.0	40.0	40.0	RMIP	All Technical Directorates
	Conducting manufacturing	Exhibition undertaken	No of exhibitions	4	-	1	1	1	1	0.0	30.0	30.0	30.0	30.0	IFS	All Technical

	Exhibition															Directorates
TOTAL										100.0	250.0	260.0	270.0	280.0		
Strategic Issue 2: Employment Creation																
Strategic Goal 2: Increased employment opportunities																
KRA 2.1: Create formal and informal manufacturing jobs																
Outcome 2: Increased employment opportunities																
SO2.1: To create new employment opportunities annually																
support systems for sustainable development of micro industries, small and medium industries	Provide Business Development Services	Business development services for MSMEs	No. of MSMEs provided with BDS	11,000	1,000	1,500	2,000	3,000	3,500	20.0	50.0	60.0	70.0	80.0	EDD	All Technical Directorates
State Owned Enterprises (SOEs) optimization and restructuring	Modernization of machinery at RIVATE X E.A Ltd	RIVATE X machinery modernized	% level of completion	100	-	100	-	-	-	300.0	0.0	0.0	0.0	0.0	Industrialization Secretary	E&C; Agro-Industries; RIVATE X
	Modernization of foundry plant and CNC	Foundry plant and CNC modernized	% level of completion	100	37	50	70	90	100	32.0	100.0	500.0	126.0	367.0	Industrialization Secretary	E&C; Agro-Industries; NMC;
	Restructuring of EAPCC	EAPCC restructured	% level of completion	20	-	-	-	-	20	0.0	0.0	0.0	0.0	120.0	Industrialization Secretary	E&C; Agro-Industries

																es; EAPC C
Linkages between small and medium industries	Facilitate creation of linkages	Linkages created	No. of Linkages created	630	100	120	130	140	140	10.0	20.0	22.0	25.0	30.0	EDD	All Technical Directorates
Total										362.0	170.0	582.0	221.0	597.0		
Strategic Goal 3: Enhanced skills development for Industry																
KRA 2.2 Reskilling and upskilling of workers																
Outcome: Increased Industrial and Entrepreneurship training																
SO 2.2: Enhanced Employee Productivity in industry																
Entrepreneurship and industrial skills development	Undertake the skills gaps and its mismatch in Manufacturing Sector	Industrial & entrepreneurship Skills gap analysis undertaken	A skills gap report	5	1	1	1	1	1	20.0	100.0	100.0	100.0	100.0	KITI	All Technical Directorates
	Strategic industrial partnerships for resources	Framework for industrial partnerships for reskilling and upskilling of workers	No. of industrial partnerships	15	1	2	2	4	6	2.0	2.0	2.0	2.0	2.0	KITI	All Technical Directorates

	Reskilling and upskilling of students/ startups/ MSMIs on Industrial & entrepreneurship skills	Trainees, startups & MSMIs re skilled and upskilled	No. of trainees/ Startups/ MSMIs reskilled and upskilled	25,600	4,500	4,700	5,000	5,700	5,700	48.0	158.0	170.0	180.0	200.0	KITI	All Technical Directorates
CBET curriculum	CBET Curriculum rolled out at KITI	CBET curriculum rolled out at KITI	No of CBET curriculum	111	40	71	-	-	-	19.0	65.0	0.0	0.0	0.0	KITI	All Technical Directorates
Build capacity of manufacturing enterprises on productivity improvement	Train manufacturing enterprises on productivity improvement covering: kaizen, total quality management, lean	Manufacturing enterprises capacity built	No. of manufacturing enterprises	450	50	100	100	100	100	20.0	40.0	40.0	40.0	40.0	E&C	All Technical Directorates

	production etc.															
TOTAL										109.0	365.0	312.0	322.0	342.0		
Strategic Issue 3: Manufacturing Sector Contribution																
Strategic Goal 1: Increased manufacturing sector output																
KRA 3.1: Manufacturing sector output/Industrial Growth and Development																
Outcome 1: Increased contribution of Manufacturing sector to GDP																
SO3.1: To increase manufacturing sector output																
Develop /review Policies and Strategies for promoting manufacturing sector	Review Industrialization Policy	Industrialization Policy Reviewed	Policy reviewed	1	-	1	-	-	-	0.0	13.0	0.0	0.0	0.0	RMIP	All Technical Directorates
	Develop Industrialization Bill	Industrialization Bill developed	Bill developed	1	-	1	-	-	-	0.0	15.0	0.0	0.0	0.0	RMIP	All Technical Directorates
	Review Automotive Policy	Automotive Policy reviewed	Policy reviewed	1	-	-	1	-	-	0.0	0.0	13.0	0.0	0.0	E&C	All Technical Directorates
	Develop Automotive Bill	Automotive Bill developed	Bill developed	1	-	-	1	-	-	0.0	0.0	15.0	0.0	0.0	E&C	All Technical Directorates
	Develop Industrial Subcontracting strategy	Industrial subcontracting strategy	Strategy developed	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	EDD	All Technical Directorates

		develope d														
	Develop leather Development Strategy	Leather development strategy developed	Strategy developed	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	Agro Industries	All Technical Directorates
	Develop textile and apparel strategy	textile and apparel strategy developed	Strategy developed	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	Agro Industries	All Technical Directorates
	Develop and implement local content bill	Local content bill developed and implemented	Bill developed and implemented	1	-	-	1	-	-	0.0	0.0	15.0	0.0	0.0	CMID	All Technical Directorates
	Updating the Preferential Procurement Master Roll	publishing of preferential Procurement Master Roll	No. of copies published and distributed	2	-	1	-	1	-	0.0	10.0	0.0	10.0	0.0	CMID	All Technical Directorates
	Develop the Buy Kenya Build	Buy Kenya Build Kenya Strategy	Percentage implementation of Buy Kenya Build Kenya	100	100	100	100	100	100	20.0	20.0	20.0	20.0	20.0	CMID	All Technical Directorates

	Kenya Strategy	implemen ted														
	Develop strategy on manufacture of electrical and electronic products	Manufacture of electrical and electronic products strategy	Strategy developed	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	E&C	All Technical Directorates
Manufacture of electrical and electronic products	promote local manufacture and assembly of electrical and electronic products	locally manufactured and assembled of electrical and electronic products	No. of local manufactured and assembled electrical and electronic products	85	-	5	10	20	50	0.0	10.0	10.0	10.0	10.0	E&C	All Technical Directorates
Manufacture and assembly of Machinery, Automotive, Equipment and Parts	Promote Local Assembly and manufacturing of Machinery, Automotive, Equipment and Parts	Locally assembled and manufactured Machinery, Equipment and Industrial Parts`	Percent of locally assembled/manufactured machinery	100	30	35	40	50	100	0.0	10.0	10.0	10.0	10.0	E&C	All Technical Directorates

	Promote local assembly of electric Vehicles and parts	Locally assembled e vehicles	No. of licensed assemblers of locally manufactured e- vehicles/ parts	20	2	3	5	5	5	0.0	5.0	6.0	6.0	8.0	E&C	All Technical Directorates
Manufacture of pharmaceutical products and devices	Develop strategy on locally manufacture of pharmaceutical products	Strategy developed and implemented	Strategy developed	1	-	-	1	-	-	0.0	0.0	6.0	0.0	0.0	CMID	All Technical Directorates
			No. of manufacturing firms attracted to produce locally	15	1	2	3	4	5	0.0	4.0	5.0	4.0	4.0	CMID	All Technical Directorates
	Adoption of cGMP in pharmaceutical firm	cGMP practices adopted by firms	No. of firms adopting GMP	40	-	5	10	10	15	0.0	4.0	4.0	4.0	8.0	CMID	All Technical Directorates
	Promote provision of incentives to pharmaceutical firms	Pharmaceutical firms provided with incentives	No. of pharmaceutical firms provided with incentives	25	-	5	7	8	5	0.0	2.0	4.0	4.0	4.0	CMID	All Technical Directorates; EAPC C
Manufacture of affordable	Promotion of use of	Use of alternative building	No. of alternative building	10	-	2	3	3	2	0.0	10.0	10.0	10.0	10.0	E&C	All Technical

construction materials and green construction materials and products	alternative building technologies (ABTS)	technologies promoted	technologies adopted													Directorates; EAPC C
	Promotion of manufacture of affordable construction materials	Affordable construction materials manufactured	No. of firms producing affordable construction materials	10	-	2	3	3	2	0.0	10.0	10.0	10.0	10.0	E&C	All Technical Directorates; EAPC C
			Quantity of construction materials in Metric tonnes (cement)	53,832	10,242	10,500	10,760	11,030	11,300	0.0	6.0	6.0	6.0	6.0	E&C	All Technical Directorates
			Quantity of construction materials in Metric tonne "000"(Iron and steel usage)	6,670	970	1,000	1,200	1,500	2,000	5.0	6.0	6.0	6.0	6.0	E&C	All Technical Directorates
Integrated Iron and Steel Mill Plant, Scrap Metal and Mineral Value Addition	Develop Iron and Steel Strategy	iron and steel strategy developed	Strategy developed	1	-	1	-	-	1	0.0	6.0	0.0	0.0	0.0	E&C	All Technical Directorates
	Conduct feasibility study on establishment of	Feasibility study conducted	Feasibility study report	1	-	-	1	-	-	0.0	0.0	100.0	0.0	0.0	E&C	All Technical Directorates

	iron and steel mill															
	Promote mineral recycling, processing and value addition	Scrap metal recycled	Volume of scrap metal recycled in tonnes ('000' metric tons)	1524	300	302	305	307	310	20.0	40.0	50.0	55.0	60.0	E&C	All Technical Directorates
TOTAL										45.0	195.0	290.0	155.0	156.0		
KRA 3.2 Enhancement of Value addition																
Outcome: high value added products manufactured																
SO 3.2: To promote production of high value added products																
Develop Industrial parks, clusters and micro Industries	Establishment of the County Aggregation and Industrial Parks (CAIPs)	CAIPs established	No. of CAIPs established	47	18	18	11	-	-	4,700.0	4,700.0	4,200.0	0.0	0.0	IFS	All Technical Directorates
	Undertake Feasibility studies on the priority value chains	Feasibility study undertaken	No. of feasibility study reports	47	18	18	11	-	-	180.0	180.0	110.0	0.0	0.0	IFS	All Technical Directorates
	Promote establishment of	Industrial clusters	Industrial clusters established	23	3	5	5	5	5	60.0	150.0	170.0	200.0	220.0	EDD	All Technical

	Industrial clusters	established														Directorates
	Establishment of Micro industries	Micro Industries established	No. of Micro industries	100	-	20	20	25	35	0.0	6.0	6.0	6.0	10.0	EDD	All Technical Directorates
Enhancement of local production of fabric, textiles, apparels and accessories	Establishing Fabric Value Addition Centres	Fabric value addition centers established	No. of fabric value addition centres	5	1	1	1	1	1	156.0	156.0	156.0	156.0	156.0	Agro Industries	All Technical Directorates
	Capacity building on fashion and design of clothing and textile products conducted	MSMIs/firms capacity built	No. of MSMIs/firms capacity built	250	-	50	50	50	100	0.0	20.0	20.0	20.0	20.0	Agro Industries	All Technical Directorates
Production of Premium textiles products	Capacity build firms on production of premium textiles and alternative fibres	Firms capacity built	No. of firms	200	-	50	50	50	50	0.0	15.0	15.0	15.0	15.0	Agro Industries	All Technical Directorates

Access to cotton raw materials	Distribute Cotton seeds to cotton growing counties	Volume of cotton seeds distributed	Quantity of seeds distributed(Kg s)	36,800	7,800	20,000	5,000	3,000	1,000	60.0	150.0	50.0	40.0	10.0	Agro Industries	All Technical Directorates
			No. of acres under cotton	25,500	5,200	13,400	3,400	2000	1500	3.0	5.0	4.0	4.0	4.0	Agro Industries	All Technical Directorates
Enhance local production of fibres/ cotton lint	Facilitate linkages between government and private sectors to support establishment of ginneries	Investors identified	No. of investors identified	5	-	2	1	1	1	0.0	4.0	5.0	6.0	7.0	Agro Industries	All Technical Directorates
Enhance leather and Leather products value chain	Evaluate status of existing leather processing facilities in the Country	Leather clusters status established	A status report	5	1	1	1	1	1	8.0	15.0	15.0	15.0	15.0	Agro Industries	All Technical Directorates
	Upscale existing leather	Leather facilities up scaled	No. of leather facilities up scaled	1	-	1	-	-	-	0.0	40.0	0.0	0.0	0.0	KITI	All Technical

	facilities in KITI															Directorates
	Construction of common manufacturing facilities	CMFs constructed	No. of CMFs	2	-	1	-	1	-	0.0	20.0	0.0	25.0	0.0	Agro Industries	All Technical Directorates
	Equipment of manufacturing facilities	CMFs equipped	No. of CMFs equipped	2	-	1	-	1	-	0.0	55.0	0.0	60.0	0.0	Agro Industries	All Technical Directorates
	Map MSIMs on leather value chains	MSIMs on leather value chain mapped	A mapping database/report	1	-	1	-	-	-	0.0	15.0	0.0	0.0	0.0	Agro Industries	All Technical Directorates
	Capacity building of MSIs on establishment of industries	MSIs capacity built	No. of MSIs	100	-	25	25	25	25	0.0	6.0	6.0	8.0	8.0	Agro Industries	All Technical Directorates
	Capacity building of leather operators on designing, finishing and fashion of	Leather operators capacity built	No. of leather operators capacity built	33	-	3	10	10	10	0.0	1.5	5.0	5.0	5.0	Agro Industries	All Technical Directorates

	leather and leather goods															
	Build capacity of the value chain actors including MSMIs to improve the quality of hides and skins, leather and leather products	Value chain actors capacity built on Quality of hides and skins, leather and leather products improvement	No. of MSMIs capacity built	100	-	20	25	25	30	0.0	5.0	6.0	6.0	8.0	Agro Industries	All Technical Directorates
	Enforcement of Local Content preferential procurement	Verification exercises undertaken	No. of verification reports	5	1	1	1	1	1	10.0	10.0	10.0	10.0	10.0	Agro Industries	All Technical Directorates
Enhancing modern technologies through provision	Provision of common manufacturing	Common manufacturing facilities provided	No. of MSIs accessing common manufacturing facilities	100	20	20	20	20	20	8.0	8.0	8.0	8.0	8.0	EDD	All Technical Directorates

of Common manufactu ring facilities to MSIs	facilities' services to MSIs															
TOTAL										5,18 5.0	5,56 1.5	4,78 6.0	584. 0	496. 0		
KRA 3.3 Industrial research, innovation and technology development																
Outcome: Enhanced Product competitiveness																
SO 3.3: To enhance uptake of industrial research, innovations, commercialization and technology development																
Industrial research and innovations commercialization	Commercialize research and innovations	Research and innovations commercialized	No. of commercialized research and innovations	16	1	2	3	5	5	10.0	20.0	30.0	50.0	50.0	RMIP	All Technical Directorates KIRDI
Academia - industry and government collaboration	Develop Academia - industry and government collaboration framework	Collaboration framework developed	A collaboration framework	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	RMIP	All Technical Directorates KIRDI
	Implement Academia - industry and government collaboration	Academia - industry and government collaboration	No of collaborations	3	-	-	1	1	1	0.0	0.0	3.0	3.0	3.0	RMIP	All Technical Directorates KIRDI

	nt collaborat ion framework	ion framework implemen ted														
Support mechanis m to SMIs /firms in manufactu ring	Provide support measures to small and large firms for innovatio n and productivi ty improvem ent	Small and large firms supported	No. of firms	150	22	40	30	30	28	109. 0	199. 2	149. 4	149. 4	139. 4	RMIP	All Techni cal Directo rates KIEP
Adoption and leveraging on 4th industrial technologi es	Develop strategy framework on adoption and leveragin g on 4th industrial technolog ies	Strategy Develope d	No. of strategies developed	1	-	-	1	-	-	0.0	0.0	6.0	0.0	0.0	E&C	All Techni cal Directo rates
	Capacity build firms on adoption of 4IR	Firms Capacity built	No. of firms capacity built on 4IR	40	-	-	-	20	20	0.0	0.0	0.0	40.0	40.0	E&C	All Techni cal Directo rates

TOTAL										119.0	225.2	188.4	242.4	232.4		
Strategic Issue 4: Quality Infrastructure																
Strategic Goal 1: Strengthened national quality infrastructure																
KRA 4.1: Sustainable National quality infrastructure																
Outcome 1: Increased uptake of standardization, accreditation and protection of intellectual properties																
SO4.1: To strengthen the national quality infrastructure																
National Quality Infrastructure	Develop Kenya Quality Policy	Kenya Quality Policy Developed	A Kenya Quality Policy	1	-	1	-	-	-	0.0	13.0	0.0	0.0	0.0	EDD	All Technical Directorates
	Disseminate the Kenya Quality Policy	Dissemination fora held	No. of fora	1	-	-	1	-	-	0.0	0.0	0.0	8.0	0.0	EDD	All Technical Directorates
	Capacity build SMIs and firms in manufacturing on standards, IPRs and accreditation	Firms capacity built	No. of firms capacity built	100	-	25	25	25	25	0.0	10.0	10.0	10.0	10.0	EDD	All Technical Directorates
	Implement the Kenya Quality Policy	Kenya Quality Policy implemented	% level of implementation	20	-	-	-	10	20	0.0	0.0	0.0	150.0	300.0	EDD	All Technical Directorates
Total										0.0	23.0	10.0	168.0	310.0		

Strategic Goal 1: Enhanced adoption of Green Manufacturing and Circular Economy																
KRA 5.1: Sustainability of manufacturing industries																
Outcome 1: Sustainable green and circular manufacturing practices																
SO5.1: To promote adoption of green manufacturing and circular economy																
Promotion of Adoption of Green Manufacturing Practises	Develop Green Manufacturing Strategy	Green Manufacturing Strategy developed	Strategy developed	1	-	-	1	-	-	0.0	0.0	6.0	0.0	0.0	CMID	All Technical Directorates
	Promotion of manufacture of green products	Green products manufactured	No. of firms producing green products	25	5	5	5	5	5	10.0	10.0	12.0	12.0	12.0	CMID	All Technical Directorates
	Advocacy campaign on green manufacturing	Advocacy campaign undertaken	No of advocacy campaign	8	-	2	2	2	2	0.0	10.0	10.0	10.0	10.0	CMID	All Technical Directorates
	Capacity building MSMIs on manufacturing green products	MSMIs capacity built	No. of MSMIs capacity built	60	-	10	15	15	20	0.0	20.0	30.0	30.0	40.0	IFS	CMID
	Promotion of manufacture of green	Green construction materials	No. of firms producing green construction material	10	2	2	2	2	2	4.0	4.0	4.0	4.0	4.0	CMID	All Technical Directorates

	constructi on products															
Adoption of circularity in production	Capacity building MSMIs on adoption of sustainabl e manufact uring practices	MSMIs capacity built on sustainabl e manufact uring practices	No. of firms/ MSMIs	50	10	10	10	10	10	20.0	20.0	20.0	20.0	20.0	CMID	All Techni cal Directo rates
TOTAL										34.0	64.0	82.0	76.0	86.0		
Strategic Issue 6: Governance and Accountability																
Strategic Goal 1: Strengthened Capacity for Service Delivery																
KRA 6.1: Enhanced Capacity for Service Delivery																
Outcome 1: Improved service delivery																
SO6.1: To strengthen the Human Talent & Management																
Strengthen the Human talent Competen ce Developm ent & Manageme nt	Staff capacity building and developm ent	Training Needs Assessme nt conduce d	Training Needs Assessment Report	2	-	1	-	1	-	0.0	10.0	0.0	10.0	0.0	HRM&D	All Techni cal Directo rates
		Officers trained	No. of officers	250	50	50	50	50	50	22.0	22.0	22.0	22.0	18.0	HRM&D	All Techni cal Directo rates
	Review staff establish	Schemes of service and	Reports on Schemes and	1	-	1	-	-	-	0.0	10.0	0.0	0.0	0.0	HRM&D	All Techni cal

	ment and scheme of service	Establishment revised	Establishment Revised													Directorates
	Institute and implement mechanisms for corruption prevention	Corruption mitigation mechanisms in place and implemented	Corruption mitigation reports	5	1	1	1	1	1	5.0	5.0	5.0	5.0	5.0	Administration	All Technical Directorates
TOTAL										27.0	47.0	27.0	37.0	23.0		
KRA 6.1: Enhanced Capacity for Service Delivery																
Outcome 2: Strong positive corporate culture																
SO6.1: To strengthen the Human Talent & Management																
Enhance SDfI corporate image and branding	Domestic government communication strategy	Communication strategy domesticated	A domesticated Communication strategy in place	1	-	1	-	-	-	0.0	6.0	0.0	0.0	0.0	PR and Communications	
	Communication Strategy implemented	Communication strategy implemented	No. of engagements with stakeholders	12	-	-	4	4	4	0.0	0.0	15.0	15.0	15.0	PR and Communications	
		Operationalized SDfI core values to enhance	Level of adherence to core values & service charter	100	100	100	100	100	100	5.0	10.0	10.0	10.0	10.0	PR and Communications	

		corporate image & branding	commitments (%)													
TOTAL										5.0	16.0	25.0	25.0	25.0		
KRA 6.1: Enhanced Capacity for Service Delivery																
Outcome 3: Increased financial resources mobilized and enhanced efficient resources use to deliver on the mandate of SDfl																
SO6.1: To strengthen the Human Talent & Management																
Increase Resource mobilization	Lobbying for additional finances from the National Treasury and support from development partners	Resources mobilized	Percentage increase in Amount of additional funding	25	5	5	5	5	5	10.0	10.0	10.0	10.0	10.0	Finance	All Departments
TOTAL										10.0	10.0	10.0	10.0	10.0		
KRA 6.1: Enhanced Capacity for Service Delivery																
Outcome 4: Prudent management of the resources																
SO6.1: To strengthen the Human Talent & Management																
Efficient Resource utilization and management	Prepare annual budgets and financial reports.	Annual budget developed	No. of reports	5	1	1	1	1	1	15.0	15.0	15.0	15.0	15.0	Finance	All Departments
		Financial reports prepared	No. of reports	5	1	1	1	1	1	2.0	2.0	2.0	2.0	2.0	Accounts	All Departments

Monitor and evaluate implementation of Policies, Programmes and Projects	Build capacity of staff on M&E	Staff Capacity built	No of staff capacity built on M&E	100	20	20	20	20	20	20.0	20.0	20.0	20.0	20.0	CPPMD	All Departments
	Conduct Monitoring and evaluation	M&E reports	No. of M&E reports	20	4	4	4	4	4	20.0	25.0	30.0	30.0	30.0	CPPMD	All Departments
TOTAL										57.0	62.0	67.0	67.0	67.0		
KRA 6.1: Enhanced Capacity for Service Delivery																
Outcome 5: Improved service delivery through digitalization of services																
SO6.1: To strengthen the Human Talent & Management																
Digitalization of services	Develop ICT strategy	ICT Strategy developed	ICT Strategy in place	1	-	-	1	-	-	0.0	0.0	6.0	0.0	0.0	ICT	
	Leverage on use of ICT in Digitalization of services	Services digitalized	No. of services digitalized	10	-	5	5	-	-	0.0	30.0	30.0	0.0	0.0		
TOTAL										0.0	30.0	36.0	0.0	0.0		

Annex 2: Quarterly Progress Reporting template

Table 8.2 Quarterly Progress Reporting template

State Department for Industry

QUARTERLY PROGRESS REPORT

QUARTER ENDING.....

Expected Output	Output Indicator	Annual Target (A)	Quarter for year...			Cumulative to date			Remarks	Corrective Intervention
			Target (B)	Actual (C)	Variance (C-B)	Target(E)	Actual (C)	Variance (F-E)		

Table 8.3 Annual Progress Reporting Template

State Department for Industry

ANNUAL PROGRESS REPORT

YEAR ENDING.....

Expected Output	Output Indicator	Achievement for the year...			Cumulative to date			Remarks	Corrective Intervention
		Target (A)	Actual (B)	Variance(B-C)	Target(D)	Actual (E)	Variance (E-D)		

Table 8.4 State Department for Industry Evaluation Reporting Template

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA 1.1 Market access	Increased export for manufactured products	Percentage increase in export of	28	2022	34		36			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
for manufactured products		manufactured products								
KRA 1.2 Products competitiveness	Enhanced Productive Capacity	Competitive Industrial Performance (CIP) Index	0.01	2022	0.18		0.25			
KRA 2.1 Create formal and informal manufacturing jobs	Increased employment opportunities	Increase in jobs created- Formal “000”	352.6	2022	3,141.0		5,000.0			
		Increase in jobs created- Informal “000”	3,181.0	2022	10,272.4		15,000.0			
KRA 2.2	Increase Industrial	Increased Industrial	4,004	2022	5,000		5,700			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
Reskilli ng and upskilli ng of industri al workers	and entrepreneu rship training	and entrepreneu rship graduands								
KRA 3.1 Manufa cturing sector output	Increased Manufactur ing sector contributio n to GDP	% Manufactur ing sector contribution to GDP	7.8	2022	12.1		15.0			
KRA 3.2 Enhanc ement of Value addition	High value added products manufactur ed	% growth in gross value add of manufacturi ng	2.7	2022	7		10			
KRA 3.3 Industri al	Enhanced Product competitive ness	Industrial research commercial ized	46	2022	65		90			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
research , innovati on and technol ogy		Firms adopting 4 the industrial revolution technologie s	-	2022	-		20			
KRA 4.1 Sustain able Nationa l quality infrastr ucture	Increased uptake of standardiza tion, accreditatio n and protection of intellectual properties	Percentage increase in uptake of standardizat ion, IPRs and accreditatio n by MSMIs	-	2022	15		25			
KRA 5.1 Sustain ability of manufa cturing	Sustainable green and circular manufactur ing practices	% increase of firms adopting sustainable industry practices	-	2022	12		20			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
industries										
KRA 6.1 Enhanced Capacity for Service Delivery	Improved service delivery	Change in customer satisfaction level	-	2022	50		100			
	Strong positive corporate culture									
	Increased financial resources mobilized and enhanced efficient resources use to deliver on the mandate of SDfI	% increase in resources mobilized	-	2022	5		5			

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid- Term Evaluation		End of Plan Period Evaluation		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
	Prudent management of the resources	Rate of Financial absorption	85	2022	100		100			
	Improved service delivery through digitalization of services	Reduced Turnaround time	65	2022	40		30			