REPUBLIC OF KENYA

MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT
STATE DEPARTMENT FOR CO-OPERATIVES

STRATEGIC PLAN

2023-2027

REPUBLIC OF KENYA

MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT

STATE DEPARTMENT FOR CO-OPERATIVES
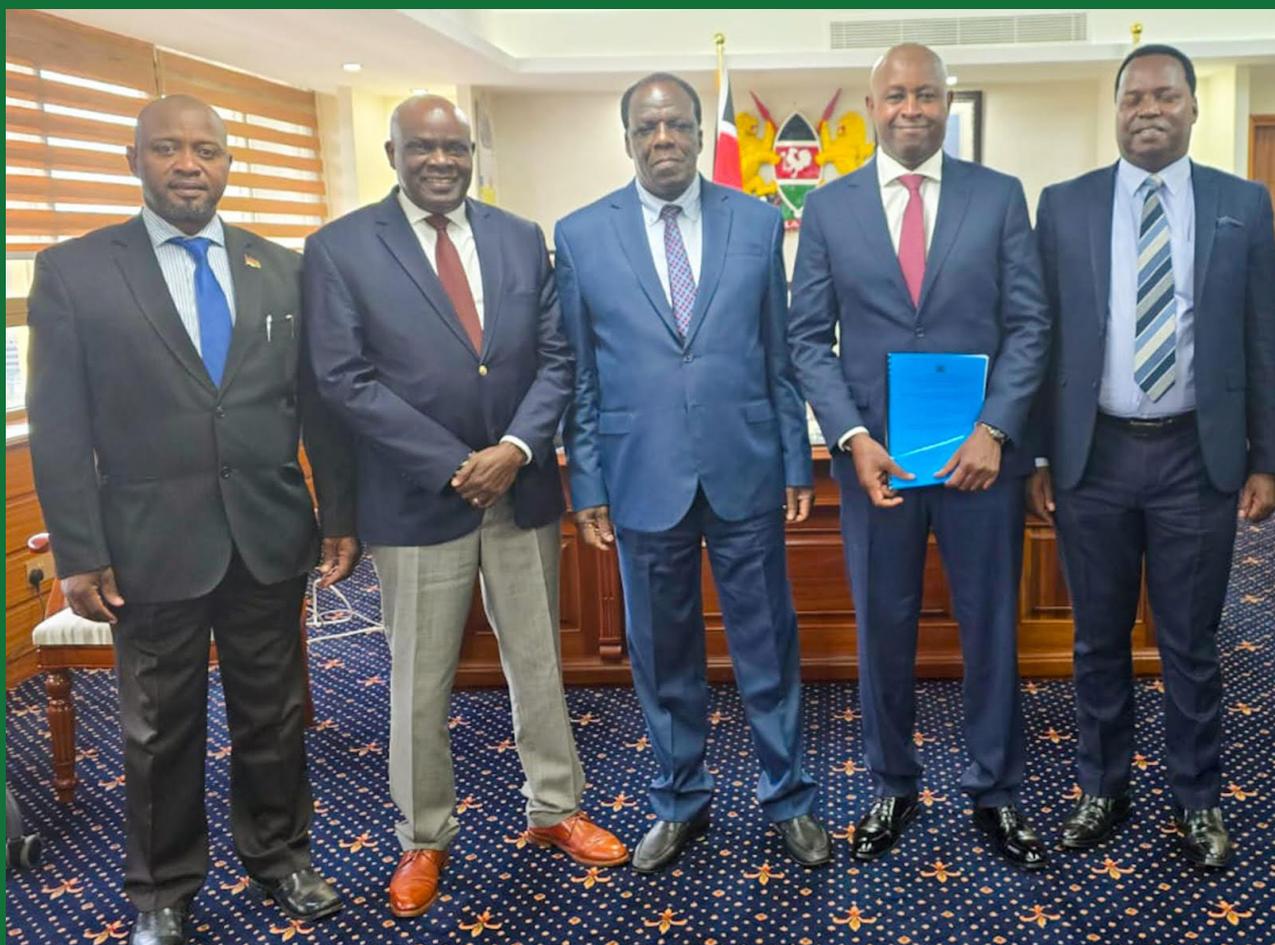
STRATEGIC PLAN

2023-2027

VISION

A sustainable and vibrant co-operative sector for a prosperous Kenya

MISSION

To promote the co-operative sector through provision of appropriate policy, legal, regulatory framework and capacity building for social-economic transformation of Kenya

CORE VALUES

i. Integrity

ii. Professionalism

iii. Inclusivity

iv. Teamwork

v. Customer focus

vi. Innovation

vii. Transparency

MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT

FOREWORD

I present the State Department for Co-operatives Strategic Plan (2023-2027) to you with great pleasure from reflecting on the journey this Ministry is about to undertake. The Ministry recognizes the central role of the co-operative model in enabling participation of individuals in economic activities and the ultimate delivery of economic benefits along the value chains. Although the greatest proportion of the co-operative movement operates in the agricultural sector, we intend in this strategic period to foster the model in other sectors like transport and manufacturing in furtherance of the Bottom-up Economic Transformation Agenda (BETA). The challenges that face individuals in the value chain form some of the strategic issues that were identified in this Strategic Plan, and we give our commitment to alleviate the same. This forms part of our agenda for the period 2023-2027.

Given the role of co-operatives in the value chains, this Strategic Plan incorporated the input of other actors in diverse but inter-related value chains to enhance our thinking and action plan. The Plan focuses on aggregation of players across the co-operative spectrum, for a more and integrated and focused range of sectoral activities geared towards the medium term. This Plan is also aligned to the Ministry's commitments in the Kenya Co-operative Transformation Strategy (KCTS) which was drafted concurrently with this Plan.

As a Ministry, we are confident that this Strategic Plan will guide the State Department for Co-operatives, other government agencies, current and potential development partners and the general public towards realizing our vision and mission of the co-operative sector. We look forward to working with all our stakeholders to realize outstanding outcomes in identified key result areas.

FCPA Hon. Wycliffe Ambetsa Oparanya, EGH
Cabinet Secretary

PREFACE AND ACKNOWLEDGEMENT

The Strategic Plan (2023-2027) for the State Department for Co-operatives sets the foundation for accomplishing our mandate of promoting growth and development of co-operatives to ensure realization of the Bottom-up Economic Transformation Agenda (BETA). This Plan lays the strategies and activities that will deliver the goals of the Ministry, through the identified key result areas. We undertook a review of the previous Plan, enriched by an assessment of BETA, to shape and refine strategy of the State Department. The variables considered include governance issues in co-operatives, lack of credit, information and access to markets, as well as poor funding of the sector.

During the plan period, the State Department will focus on 11 key result areas among them policy and legal framework; co-operatives governance; aggregation; marketing and adoption of information communication technology. For all the key result areas, we identified strategic objectives and activities with targets and a budget for the same. The Plan contains a monitoring framework that will enable us to report on a quarterly basis every achievement in the activities intended to be undertaken during the plan period. The entire plan is estimated to cost KSh 5.786 billion against a projected allocation of KSh 5.766 billion. This indicates a resource gap of about KSh 20 million which calls for financial mobilization strategy to smoothen the requirements against allocations. It is our view that the Plan provides a strategic direction for the State Department over the period 2023-2027, and it is our commitment to deliver this Plan within the time-frame.

We remain grateful to the Cabinet Secretary for his deliberate efforts in outlining the strategic direction throughout the process of developing this Plan. Special appreciation also goes to our stakeholders for their input that shaped the strategies. The coordination of the Central Planning Department for coordination of the exercise and the efforts of the heads of directorates in providing technical input to the Plan is also highly appreciated. We express our commitment to a diligent implementation of this Strategic Plan. Overall, we shall deepen and widen collaboration with our stakeholders and partners in realizing the over-arching development goals of our beloved nation.

Mr. Patrick Kilemi
Principal Secretary

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ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolution
A-i-A	Appropriation-in-Aid
BETA	Bottom-Up Economic Transformation Agenda
CCD	Commissioner for Co-operatives Development
CMIS	Co-operative Management Information System
CoffeeMIS	Coffee Management Information System
CPPMD	Central Planning and Projects Monitoring Department
DIALs	Declaration of Income, Assets & Liabilities
EACC	Ethics and Anti-Corruption Commission
ECCOs	Ethics Commission for Co-operatives Societies
F&M	Finance & Marketing
GoK	Government of Kenya
HIV &AIDS	Human Immunodeficiency Virus & Acquired Immunodeficiency Syndrome
HoD	Head of Department
HRDC	Human Resource Development Committee
IFMIS	Integrated Financial Management Information System
ILO	International Labour Organization
ICA	International Co-operatives Alliance
ICT	Information Communication Technology
KCTS	Kenya Co-operatives Transformation Strategy
KFA	Kenya Farmers Association
KNTC	Kenya National Trading Company
KOMEX	Kenya National Multi Commodities Exchange
KRA	Key Results Area
KSh.	Kenya Shilling
MDAs	Ministries Departments and Agencies
M&E	Monitoring and evaluation
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MTPIV	Medium Term Plan Four
MSME	Micro, Small and Medium Enterprises
NACCU	National Coffee Co-operative Union
NACHU	National Housing Co-operative Union

NARC	National Rainbow Coalition
NCE	Nairobi Coffee Exchange
N-KCC	New Kenya Co-operative Creameries
N-KPCU	New Kenya Planters Co-operative Union
P&S	Policy & Standards
PWDs	People with Disabilities
R&R	Registration and Regulation
SACCOs	Savings and Credit Co-operatives
SDC	State Department for Co-operatives
SDGs	Sustainable Development Goals
SAGAs	Semi-Autonomous Government Agencies
SASRA	Saving and Credit Co-operatives Union Regulatory Authority
SMEs	Small and Medium Enterprises
SP	Strategic Plan
STI	Science Technology and Innovation
UN	United Nations
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions

EXECUTIVE SUMMARY

This Strategic Plan (2023-2027) was prepared following the Executive Order No. 1 of 2023 on organization of the national government that created the Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development. The Plan is based on Kenya's current development framework covering Kenya Vision 2030; the Bottom-Up Economic Transformation Agenda (BETA); the Fourth Medium Term Plan, 2023-2027 (MTP IV); the United Nations (UN) Agenda 2030 for Sustainable Development; the Africa Agenda 2063; and the East African Vision 2050. The policy framework that forms the pillar of the Plan includes Constitution of Kenya; National Co-operative Policy; and the draft Co-operatives Bill 2022 that had been cleared by Cabinet and forwarded to Parliament for approval by the time of writing this Plan. The Plan is also aligned to the Kenya Co-operatives Transformation Strategy.

In the last five years, the State Department for Co-operatives (SDC) developed a policy that was approved by the Parliament as Sessional Paper No. 4 of 2020 on 'the National Co-operative Policy on Promoting Co-operatives for Socio-Economic Transformation'. The State Department has also formulated the Co-operatives Bill; reviewed the Co-operatives Financing Policy; and the SACCO Societies Act which are expected to be finalized and executed in this plan. The National Coffee Co-operative Union (NACCU) was restructured and will be transformed into a federation upon enactment of the Co-operatives Act. Other achievements include construction of a co-operative cotton ginnery in Luanda (Busia); provision of digitization equipment to 325 coffee factories and metallic dying beds to 125 factories. The Coffee Cherry Advance Revolving Fund was established with a seed capital of Ksh.3 billion to support coffee farming. The setting up of a credit scheme was however delayed due to inadequate funds. Co-operatives were also facilitated to recover non-remittances totaling to Ksh. 4.042 billion during the period, which is below the target of Ksh. 7.5 billion that was attributed to rising governance issues by employing organizations. Development of the Co-operatives Management Information System (CMIS) and CoffeeMIS advanced to 60% and 40%, respectively, and the objective is to complete the same in this strategic planning period.

The State Department envisions a sustainable and vibrant co-operative sector, and it shall endeavor to promote the co-operative sector through provision of appropriate policy, legal, regulatory framework and capacity building. Six strategic issues driving the objectives of this Strategic Plan have been identified, leading to identification of strategic goals and objectives covering the five years. These issues are outdated and weak co-operative policy, legal and institutional framework; unaggregated economic units leading to limited production, value addition and market access by co-operatives; inadequate funding of the SDC; weak governance in co-operatives; inadequate access to affordable financial services by co-operatives and limited-service delivery. These have been unbundled into eleven (11) key result areas (KRAs) and strategic objectives that carry a defined set of activities whose indicators, targets and cost have been determined.

The goals or the pillars of this plan for the next five years are: having an enabling co-operative policy, legal and institutional framework; promotion of good governance in co-operatives; aggregation of individual economic units into co-operatives; improving access to affordable financial services; improving service delivery; and ensuring adequate and sustainable financial resources at the State Department. The environment under which the State Department shall endeavor to achieve the defined goals is marked by strengths such as political good will of the administration; access to data and information for co-operatives; and experienced workforce.

The total cost of the Plan for the five years is estimated at Ksh. 5.786 billion which calls for financial resource mobilization strategies to meet the proposed developments. Such a strategy will be developed alongside the government's guidelines and economic developments. The Plan will be monitored on an annual basis using established frameworks with mid-term and end-term evaluation scheduled in the financial years 2025/26 and 27/2028, respectively.

CHAPTER 1: INTRODUCTION

This chapter provides highlights of the State Department's history and motivation for a strategy, current mandate; strategic planning context; policy background and the process of preparation of the Strategic Plan. The mandate of the State Department is derived from the Executive Order No. 1 of 2023 on organization of the national government. The policy basis for preparation of the Plan includes but is not limited to the Kenya Vision 2030; the Fourth Medium Term Plan (2023-2027); the Bottom-Up Economic Transformation Agenda (BETA); the United Nations (UN) Agenda 2030 for sustainable development; the Africa Agenda 2063; the East African Vision 2050 and the Kenya Co-operative Transformation Strategy as elaborated in following sections.

1.1 Strategy as an Imperative for Organizational Success

Formulation of this Strategic Plan is central to success of the State department for co-operative's agenda of promoting growth and development of co-operatives in Kenya. With future growth in registered co-operatives that are currently estimated at 28,771, there is urgent need to address emerging policy and regulatory issues to sustain growth of the co-operatives sub-sector. Emerging trends of impressive innovation by co-operatives and increasing governance issues calls for the State Department to continuously review and update the policy and regulatory environment. Developing and implementing governance tools will be pursued as strategy to safeguard the gains made in the sub-sector.

National development will rely on co-operative model for delivering growth and development in defined sectors of the economy dominated by disaggregated actors. The State Department shall embark on a strategies of capacity building and provision of aggregation infrastructure to create drive for actors to aggregate into co-operatives.

The gap between the existing and ideal situations in government's role of promoting co-operatives growth has been occasioned by past actions that have stifled the strategic thrust of the State Department. The latter includes persistent limited resourcing and lack of political goodwill towards the sector that has constrained the department's flexibility to respond to developments in the sector. This is the first instance of strategic planning in last 10 years where the Co-operatives function has been elevated to the level of a Ministry, occasioned by deliberate interest of delivering growth through the co-operatives model. The strategy focuses on improving service delivery through improving working tools and environment at the state department and resource mobilization to support implementation of the organizational objectives.

1.2 The Context of Strategic Planning

This Strategic Plan was prepared in consideration of national development priorities, regional and international development frameworks that Kenya has ratified.

1.2.1 United Nations Agenda 2030 for Sustainable Development

Globally, co-operatives are central in the realization of the sustainable development goals and the co-operative values and principles are hardwired for sustainable development. The United Nations' 2030

Agenda for Sustainable Development conceptualizes the Sustainable Development Goals (SDGs) as a universal call to action by member states to end poverty, protect the planet and ensure that humanity enjoys peace and prosperity. Through this strategic plan the SDC shall support the attainment of SDGs 1,2,3,4, 5,6, 7, 8 and 11 through promoting co-operatives by providing a legal framework, norms, standards and capacity building to steer co-operatives towards sustainability. The Strategic Plan targets registration of co-operatives in new value chains to enable more people access opportunities for earning a living (Goal 1). Seven out of the 9 priority value chains of focus by SDC in the plan period are in agriculture sector: it is hoped aggregating farmers to access inputs, bulking facilities and markets will lead to more productivity and earnings. Members in co-operatives will be encouraged to channel part of their earnings to health insurance, to facilitated access to health services.

Towards fulfilment of Goal 4, co-operatives are a great source of educational finance. In Kenya, the popular back-office loan offered by most Savings and Credit Co-operative (SACCOs) Societies is for paying school fees. The SDC will also target registration of new co-operatives in activities dominated by women such as dairy farming to bring in more women closer to economic opportunities (Goal 5). As a contribution towards Goal 6 on clean water and sanitation, self-help water groups or co-operatives are increasingly becoming major actors in facilitating access to clean water and sanitation services to make up for the failures of both the public and private sectors. The National Housing Co-operative Union (NACHU) in Kenya has been at the core of the Slum Up-grading Programme. SDC will continue to foster registration of such co-operatives that organize informal settlement dwellers into co-operatives geared towards building decent homes. Further, the State Department shall target creating awareness in existing community-based energy supply groups to promote access to energy in through models not viewed as profitable by private entities. This is expected to facilitate attainment of Goal 7 on affordable and clean energy.

By fostering good governance in co-operatives that employ people directly and indirectly, SDC plays a role in sustaining these entities. Feasible and well governed co-operatives provide employment, thereby contributing to Goal 8 on decent work and economic growth. Lastly, SDC entrenches the principles of co-operatives through enforcement of governance instruments. The latter creates a strong sense of community, participation, empowerment and inclusion among members and restoring interpersonal relationships and peace that is the subject of Goal 11.

1.2.2 African Union Agenda 2063

African countries are expected to adopt the aspirations of Africa Agenda 2063 which envisions "*A prosperous Africa based on inclusive growth and sustainable development*". In this regard, co-operatives play a role as key enablers.

In Aspiration 1 "*A prosperous Africa, based on inclusive growth and sustainable development",* the State Department for Co-operatives through promotion of worker co-operatives, will contribute to a rise in income and creation of jobs. Worker co-operatives will play a role in promoting growth and eradicating poverty. Through promotion of SACCOs, members are able to save and get loans when they need, which in turn brings about economic empowerment. Other initiatives the State Department is undertaking in line with the agenda is revitalization of producer value chains, thereby increasing agricultural productivity. In addition, aggregating artisanal fishermen and miners into co-operatives will enable them increase productivity, access markets and experience growth incomes.

In Aspiration 3 "*An Africa of good governance, democracy, respect for human rights, justice and the rule of law",* the co-operative principles ensure that members in a co-operative have equal voting rights (one member, one vote); co-operatives in Kenya are organized in a democratic manner.

1.2.3 East Africa Community Vision 2050

Kenya is 1 of the 7 members of the East Africa Community members who share Vision 2050 of "becoming a globally competitive upper-middle income region with a high quality of life for its population based on the principles of inclusiveness and accountability". This shall be achieved through 'widening and deepening economic, political, social and cultural integration'. In the implementation of her mandate, the State Department for Co-operatives will promote aggregation of economic units along identified national value chains into co-operatives. This is through influencing formation and governance of co-operatives through policy and oversight instruments that guide the conduct of co-operative business in Kenya.

As a result of facilitating aggregation, individual economic units operating within co-operatives benefit from economies of scale that improve their earning potential. This together with increased access to production inputs, knowledge and markets by individuals within co-operatives is expected to increase the earnings of individuals and catalyze movement towards the anticipated 'middle-income' status.

1.2.4 Constitution of Kenya

The Constitution brought fundamental changes in the management of public affairs. It established two levels of government: the national and county governments. The functions assigned to the national government included policy, standards and capacity and technical assistance to the counties.

In particular, the State Department is on course in implementing the provisions of the Constitution through the realization of its mandate and functions, especially through Co-operative Policy, Standards and Implementation.

The Constitution is also the overarching and supreme law of the land that makes provisions that are geared towards addressing pertinent problems facing the co-operatives sector. Key among such problems include weak governance that has stifled co-operative development and progress. The provisions of the Constitution that are key to the fight against corruption and promotion integrity, ethics and good governance include:

a. Article 10 on national values and principles of governance;

b. Chapter 4 on the bill of rights;

c. Chapter 6 on leadership and integrity that sets the ethical leadership benchmarks required for holders of state and public offices;

d. Chapter 10 that sets up the judicial system to address governance, corruption and any other criminal activities that stifle the wellbeing of the people of Kenya; and

e. Article 201 lays out the principles of public finance that include equity, openness, accountability and efficiency in public expenditure.

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

The Kenya Vision 2030 is the Country's long-term development blueprint. The Vision aims at transforming the country into "a globally competitive and prosperous country with a high quality of life by 2030". The Vision is anchored on three Pillars: Economic, Social and Political. The Vision identifies the co-operative sector as one of the key sectors under the economic pillar expected to drive the economy to the projected 10 per cent per annum growth rate and then sustain it up to 2030. To this end, the State Department has identified strategic initiatives towards addressing employment creation, value addition, savings mobilization, and equitable development.

The Vision 2030 is implemented in 5-year medium-term plans (MTPs), and this plan was prepared in the backdrop of the 4th MTP (MTPIV). five (5) sectors namely: finance and production, infrastructure, social, environment and natural resources; governance and public administration. Co-operatives function largely falls under the finance and production sector, with other contributions in infrastructure; environment and natural resources.

To support realization of development proposals in MTPIV, SDC will be expected to play a key role in promotion of co-operative ventures across the sectors. Specifically, aggregation of MSMEs actors will be achieved by building the capacity of SACCOs to channel funds from Hustler Fund to MSMEs. in Affordable housing and settlement, co-operatives will be expected to play a central role in aggregating and supporting 'Jua Kali' co-operatives to produce high quality construction products. This will be achieved through organizing 'Jua Kali' artisans into workers and service co-operative institutions and linking them with facilitative services. The Department shall also facilitate Kenyans to leverage on co-operative institutions (producer co-operatives, transport 'Boda Boda' co-operatives and women SACCOs) to access health insurance services. Further, on the agricultural transformation, the State Department shall aggregate farmers into co-operatives geared towards increase in production, levels of value addition and access to both local and export markets.

1.2.6 Sector Policies and Laws

The Constitution of Kenya (CoK,2010) bestows the National Government with the mandate of policy formulation. In view of this mandate, the State Department formulated the National Co-operative Policy in recognition of the changing environment in which co-operatives are regulated and supervised. The Policy was approved by the Parliament as Sessional Paper No. 4 of 2020 on Promotion Co-operative for Socio-Economic Transformation on 19th August 2021. The Sessional Paper brings in focus the role played by the county governments as envisaged in the Constitution of Kenya (CoK,2010) which recognizes co-operative societies as a devolved function.

As a mass movement, the national government recognizes the unique role that co-operatives continue to play in bringing about equitable growth and development. The national government shall therefore actively take up its role of capacity building the county governments to ensure uniform growth of the movement in the country.

The Sessional Paper recognizes co-operatives as private business organizations. In order to become responsible corporate entities, co-operatives are expected to promote good governance practices that ensure their sustainable growth and development. In this respect, the Sessional Paper proposes a new structure that promotes integration and enhances self-regulation. The new structure stratifies the Kenyan co-operative movement by establishing a federation and strengthening the apex organization. The two levels of government will register only economically viable co-operatives.

As part of implementation of the Sessional Paper, the Department developed the Draft Co-operatives Bill 2022 whose objective is to provide for a legal framework that promotes a sustainable and competitive co-operative sector for socio-economic development in a devolved system of governance.

1.2.7 Kenya Co-operative Transformation Strategy (KCTS)

The objective of the ten-year KCTS is to facilitate implementation of the National Co-operative Policy. Additionally, the Strategy outlines measures or strategies to execute the BETA, which places co-operatives at the center of economic development. The KCTS lays out the roles and opportunities of all players in the co-operative sector to participate effectively in growth and development of co-operatives in Kenya. This Strategic Plan outlines the medium term (five year) strategies or deliverables that the State Department for Co-operatives intends to deliver under the KCTS.

1.3 History of the State Department for Co-operatives

The history of the State Department for Co-operatives dates to 1946 when a Department of Co-operatives was established and a registrar of co-operatives was appointed. The Sessional paper 10 of 1965 on African socialism and its application to planning in Kenya recognized co-operatives as an important vehicle in Africanization of the economy. As a result, there was massive growth of co-operatives especially for marketing cash crops such as coffee, pyrethrum, and cotton. This increase in co-operatives activities lead to the establishment of a fully fledge Ministry of Co-operatives Development in 1974. Following liberalization of economy in the 1990s, the Ministry of Co-operative was abolished in 1999 and the reduced role of government on co-operatives, transferred to Ministry of Agriculture and Rural Development.

In 2003, the newly elected NARC government reestablished the Ministry of Co-operatives and renamed it as the Ministry of Co-operative Development and Marketing. However, the promulgation of the Constitution of Kenya 2010, saw the role of the National Government in co-operatives reduced as the co-operative function was devolved. Subsequently, the Ministry of Co-operative Development and Marketing was abolished, and the role transferred to the State Department of Industrialization in the Ministry of Industrialization and Enterprise Development.

The government was reorganized through executive order No. 1 of 2016, which established the State Department for Co-operatives under the Ministry of Industry, Trade and Co-operatives. In 2020, there was reorganization of Government through the Executive Order No. 1 of 2020, which transferred the State Department for Co-operatives to the Ministry of Agriculture, Livestock, Fisheries and Co-operatives. The Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development was re-introduced through the Executive Order No.1 of 2023.

The broad Mandate of the State Department for Co-operatives is to promote growth and development of co-operatives, through provision of enabling policy and regulatory framework. This mandate is spelt out in the Executive Order No. 2 of 2023 with the following functions:

i.   Co-operative Policy, Standards and Implementation;

ii. Promotion of Co-operative Ventures;

iii. Co-operative Production and Marketing;

iv. Supervision and oversight over Co-operative Societies;

v.   Co-operative Savings, Credit and other Financial Services Policy;

vi. Co-operative Legislation and Support Services;

vii. Co-operative Education and Training;

viii. Co-operative Audit Services;

ix. Co-operative Financing Policy

There are three main semi-autonomous agencies under the State department for co-operatives.

The New Kenya Co-operative Creameries (N-KCC)

The purpose of the new KCC is to procure high quality raw milk, process, package and market milk and milk products**.**

The New Kenya Planters Co-operative Union (N-KPCU)

The purpose of N-KPCU is to provide affordable credit to coffee farmers, milling and marketing of coffee.

The Savings and Credit Co-operatives Regulatory Authority (SASRA)

The SASRA is the Government of Kenya's agency responsible for licensing, regulating and supervising deposit-taking and non-withdrawable deposit-taking SACCOs. The Authority is established under the SACCO Societies Act, No.14 of 2008.

1.4 Methodology of Developing the Strategic Plan

The process of preparing the strategic plan was initiated by a memo originating from the office of the Principal Secretary dated 22nd June 2023. In this Memo, the Principal Secretary indicated the need to fulfil the policy directing all Ministries, Departments and Agencies (MDAs) to prepare strategic plans to implement the fourth medium term plan. The first internal drafting workshop was held between 21st to 25th of August, 2023 with all heads of departments: this workshop produced the first draft that formed a basis for engaging the external stakeholders. The draft was also used for engaging the KCTS drafting team for purposes of aligning the two strategies. A validation exercise with external stakeholders was conducted to collect views in March, 2024 that were used to improve the draft plan. The refined draft was then subjected to an editorial and validation process in April, 2024, followed by publication and dissemination in May of the same year.

CHAPTER 2: STRATEGIC DIRECTION

This section enumerates the mandates of the State Department for co-operatives, the statements of vision, mission, quality policy as well the strategic goals underpinning the plan. The section also lists the core values guiding the conduct of the State Departments staff and stakeholders.

2.1 Mandate

The broad Mandate of the State Department for co-operatives is to promote growth and development of co-operatives through provision of enabling policy and regulatory framework. This mandate is spelt out in the Executive Order No. 2/2023 outlined in previous section.

2.2 Vision Statement

A sustainable and vibrant co-operative sector

2.3 Mission Statement

To promote the co-operative sector through provision of appropriate policy, legal, regulatory framework and capacity building.

2.4 Strategic Goals

The strategic goals that the State Department is pursuing in the next five years are

1. Enabling co-operative policy, legal and institutional framework;

2. Aggregated value chain actors;

3. Improved funding;

4. Improved governance in co-operatives;

5. Increased access to affordable financial services; and

6. Improved service delivery.

2.5 Core Values

1. **Integrity**

   The State Department shall uphold high standards of integrity in doing its business.

2. **Professionalism**

   The staff shall uphold professionalism in service delivery.

3. **Inclusivity**

   The State Department shall strive to provide equal access to opportunities and resources irrespective of the social status of stakeholders.

4. **Teamwork**

   The Staff of the State Department shall pursue collaboration and partnerships in service delivery.

5. **Customer focus**

   The State Department shall strive to put the need of its customers first.

6. **Innovation**

   The State Department shall promote creativity and use of technology in delivery of services.

7. **Transparency**

   The State Department shall remain open to internal and external scrutiny in its operations.

2.6 Quality Policy Statement

The State Department shall adhere to applicable standards and procedures for continuous quality improvement and customer satisfaction.

MINISTRY OF CO-OPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT

CHAPTER 3: SITUATIONAL AND STAKEHOLDER ANALYSIS

This section comprises and analysis of the external and internal environment surrounding formulation of the strategic plan, mainly covering the strengths, weakness, opportunities and threats facing the State Department and strategic responses to the same. The section also captures an analysis of the stakeholders of the state department including the expectations of parties.

3.1 Situational analysis

3.1.1 External Environment

3.1.1.1 Macro Environment

The Co-operatives function was elevated to the level of a State Department in tandem with plans to make co-operatives the basis for implementation of the BETA and MTPIV Plans. The focus of the current administration on co-operatives model presents an opportunity for the State Department to roll out the best practices for co-operative management, to ensure the industry becomes more vibrant and sustainable. This shall be done through continuous innovation of standards, tools and practices that foster good governance and growth in co-operative ventures. It is anticipated that with growth prospects and the drive for having more Kenyans integrated into co-operatives, conflicts and governance issues shall equally rise. This implies a need for more resources to forestall and/or resolve the conflicts in the most amicable and fast manner. Specifically, the State Department shall pursue digitization of its services while ensuring cyber security issues are addressed using available guidelines. The biggest threat to operations of the State Department is not only inadequate resources but also delayed enactment of the Co-operatives Bill and associated regulatory framework, which will be fast-tracked through lobbying relevant partners.

3.1.1.2 Micro-environment

Given the opportunity of entrenching good models for co-operatives in Kenya, the State Department has continuously faced a huge gap between the budget requirements and allocations over the years. There is also insufficient engagement between the SDC and development partners as an attempt to bridge the gap in resources. From the latest functional analysis and organizational restructuring, it is clear that there is a serious shortage of staff, in addition to succession management issues resulting from delayed recruitment. The skills and competencies of the workforce also need to be upgraded to match developments in the sector, especially towards adoption of data and research in creating evidence for policy-making. The existing opportunities and facilities within government shall be explored in addition to seeking partnerships with development partners inclined towards innovation in co-operative sector.

3.1.2 Summary of Opportunities and Threats

The following table summarizes the opportunities and threats identified from the analysis

Table 3.1 Summary of Opportunities, Threats and Strategic Responses

Environmental Factor	Opportunities	Threats	Strategic Response
Political	Focus of the current political administration on co-operatives (BETA)	Shift in government priorities midway	Fast-track implementation of SDC's strategic activities in early years of the Plan
Economic	Improvement in budgetary allocations due to economic growth	Decline in economic growth as a result of global developments	Develop alternative resource mobilization strategy for the State Department
	Increase in AiA from Co-operatives audit service	Reduction in collection in AiA from co-operatives audit services	
Social	More cohesive communities due increased participation in co-operatives	Increased conflict and governance issues in co-operatives	Develop and enforce co-operative governance instruments
	Availability of training institutions locally		
Technological	Influencing adoption of e-commerce by co-operatives	Cyber-security issues	Support digitization of co-operative societies
Legal and Regulatory	Legal reforms that will align the co-operative function with the devolved government	Resistance from county that have governments with own regulation instruments; legislative delays	Pursue MoUs to promote partnerships between SDC and county governments
	Acceptance of SDC at the Intergovernmental committee		Active participation in the intergovernmental committee

Investing in networks with legislative bodies |
| **Ecological** | Climate change policy at national level exists

Likelihood of promoting ecological standards with partners through co-operatives | Resistance of policy and /or standards | Pursue partnerships to promote adoption of climate change policy and ecological standards within co-operatives |

3.1.3 Internal Environment

3.1.3.1 Governance and Administrative Structures

Although the Department's physical offices are all concentrated within the same physical location, the offices remain scattered with similar functions sitting in different blocks of the location. This affects staff morale and cohesion. The SDC has been operating on a sub-optimal organizational structure, which just underwent intensive analysis resulting in new structures fit to serve the intended agenda in this strategic plan. More office space shall be sought together with improvements in operations such as adoption of ICT to permit frequent interaction between staff and the clients. Further, this will ease handling of documentations and data and facilitate adoption of collaborative work practices.

3.1.3.2 Internal Business Processes

The business processes at the State Department are mainly manual with little to no digitization. This includes handling of registrations and other oversight procedures, which delays completion of tasks or prevents tracking of progress in task execution. The knowledge management processes are also still largely under-developed, including management of data. The direction towards resolving this is automation of co-operative registration and oversight procedures; setting up databases and relevant platforms as well as training officers through establishing partners with stakeholders who have excelled in automation.

3.1.3.3 Resource and Capabilities

The State Department has over the years been heavily under-resourced, compared to the scope of its mandate and therefore activities. This has been manifested by huge gaps between resource requirements and allocations that affects ability to aggregate economic units. Infrastructure is one pre-requisite to aggregating farmers or other economic agents yet there has been a general poor allocation towards the development budget. Additionally, there has been delayed approvals for hiring of staff that has translated into a succession management problem as well as office under-allocations. To reverse this pattern, the Department will pursue a resource mobilization strategy that includes strategies of engagement with development partners and other departments within government for purposes of synergizing existing resources. The SDC has also completed development of the new career progression guidelines and will fast-track its implementation in the first two years of the Strategic Plan.

3.1.4 Summary of Strengths, Weaknesses and Strategic Responses

The following table is a summary of Strengths, weaknesses identified in the analysis and the corresponding strategic responses

Table 3.2: Summary of Strengths, Weaknesses and Strategic Responses

Environmental Factor	Strengths	Weaknesses	Strategic Response
Governance and Administrative Structures	The office space is centralized in one area	Structure is not optimal for the Mandate	Revise the organizational structure; establishment and departmental office re-allocation
		Departmental offices are spread across several blocks and floors	
	State corporations that are important for co-operative promotion, regulations and deliver SDC's mandate	Some State corporations that can support SDC's mandate are placed in other ministries	Support and strengthen good working relations with SAGAs
Internal Business Processes	Institutionalization of scheduled senior management meetings	Manual registration process	Automate business processes (through a MIS) and other knowledge management strategies
	Existence of a co-operative's registry		
	Durable certificates from the registration process	Application of outdated technology in registration	
		Slow client feed back	Client engagement and outreach strategy
		Inadequate communication and information sharing	Communication strategy
Resources and Capabilities	Access to data and information for co-operatives (co-operatives registry)	Lack of data and information management systems	Establish a data and knowledge management information systems
	Good relations with some development partners	Over-reliance on exchequer for funding of SDC financial requirements	Pursue current and more partners for further partnerships Develop and implement a resource mobilization strategy
	Experienced workforce	Scheme of Service is obsolete	Develop and review scheme of service and develop career progression guidelines co-operative officers
		Weak succession management	Review of organizational structure
	Existence of a human resource development committee	Low frequency of meeting of committee	Activate more interaction of human development committee with management; address succession management gaps

3.1.5 Analysis of Past Performance

Performance in the Strategic Plan for the period 2018-2022 was delivered in seven key result areas (KRAs) namely

a. KRA1: Policy, Legal and Institutional reforms

b. KRA2: Co-operative production, value addition and marketing

c. KRA3: Co-operative finance and investment

d. KRA4: Co-operative governance and enforcement

e. KRA5: Co-operative capacity building

f. KRA 6: Strengthening institutional capacity

g. KRA 7: Cross-cutting initiatives

3.1.5.1 Key Achievements

The first strategic objective was to create enabling policy, legal and regulatory framework. The State Department sought to develop 2 policies: a national co-operatives policy and a co-operatives financing policy. The former was developed and culminated into Sessional Paper Number 4 of 2020 on National Co-operatives Policy, while the latter is yet to be developed due to lack of financial resources. The Co-operative Societies Act was reviewed, and a Bill on the same is at the Parliament. Regulations were developed to bring on board specified non-deposit-taking SACCOs under regulation of SASRA. The SACCO Society Act was only reviewed partially, by introduction of an amendment bill that introduced central liquidity facility. A framework for collaboration between national and county governments has not been developed, but a technical committee to serve the same purpose in the meantime was established.

The SDC sought to restructure some institutions to facilitate development of efficient and effective co-operatives in last strategic planning period. To this end, the Kenya Planters Co-operative Union (KPCU) was restructured to N-KPCU (a state corporation) and granted mandate over Coffee Cherry Advance Revolving Fund; management of coffee input subsidy; milling and marketing of coffee. The New KCC underwent modernization of its facilities to improve milk processing capacity. Other agencies earmarked for restructuring faced legal hurdles such as the Kenya Farmers Association, while lack of finances prevented pursuit of other institutional reforms. Five unions in crop value chains were identified to undergo restructuring during the period. Under this target, the National Coffee Co-operative Union (NACCU) was restructured and will transform into a federation upon enactment of the Co-operatives Act.

Regulatory reforms to transform transport sector were undertaken during the last Plan period. Model by-law and guidelines for transport (boda-boda) co-operative societies were developed. A strategy and model by-laws for the public 'Matatu' transport co-operative sector were developed as a milestone. The SDC also issued a directive to cease registration of public transport service SACCOs, in favor of transport co-operatives.

The objective of the second KRA (Co-operative production, value addition and marketing) was to promote value addition, manufacturing, and market access by co-operatives. Key achievements include modernization of New-KCC that progressed to 85% level of completion during the period with a processing capacity of 800,000 litres per day. Towards improving governance in coffee processing, a total of 298 coffee co-operative societies underwent audit; 325 out of targeted 1004 factories were provided with equipment for digitization and 125 out of 1004 targeted factories provided with modern metallic drying beds.

To revive the cotton value chain, construction and refurbishment of cotton ginneries and warehouses in 7 sites was planned for the period. Luanda (Busia), Homabay, Pavi (Lamu) sites underwent feasibility tests. Construction was only undertaken in one (Luanda) site, due to heavy budget cuts and land issues in other sites (Homabay). Promotion of linkages, information sharing and market access in the co-operative sector were not undertaken due to inadequate funds and delays in development of institutions that fell within the mandate of other institutions such as the Kenya national multi-commodities exchange (KOMEX).

The objective of KRA 3 was to enhance financial deepening and investments through co-operatives by providing relevant guidelines and policies to support related activities. Four (4) guidelines (on diaspora co-operatives; savings mobilization and credit; start-up SACCOs; investment) were to be developed but none was achieved due to inadequate funds. The Coffee Cherry Advance Revolving Fund was established with a seed capital of Ksh.3 billion, but set up of a credit scheme was delayed due to inadequate funds. Co-operatives were also facilitated to recover non-remittances totaling to Ksh. 4.042 billion below the target of Ksh 7.5 billion due to governance issues by employing organizations. A framework for co-operatives participation in provision of affordable housing and financing model were also not developed as expected due to lack of finances.

Fourth KRA sought to entrench good governance and accountability within the co-operative sector. A total of 5,806 (against a target of 7,500) co-operatives were registered during the period and a total of 61 (against a target of 100) inquiries undertaken. These targets depend on requests made by co-operatives and county governments.

Thirteen (13) technical updates on audit standards to incorporate international financial reporting standards were undertaken. However, review of co-operative audit; inquiries, inspections and liquidations manuals were not undertaken due to inadequate funds. Twenty-one (21) out of a target 25 inspections and 11 out of 50 liquidations undertaken. Inspections and liquidations are carried out upon request by clients. The SDC signed an MoU with EACC on promotion of good governance, corruption prevention and unethical practices in co-operative societies and the same is under implementation.

The 5th Strategic objective that corresponds to KRA 5 covered capacity building through training, education, research, and ICT adoption. The planned activities under this objective included development and dissemination of co-operative officer's handbook; review of co-operative education manuals; establishment of co-operative Fund; development of a concept note on co-operative information and research center; co-operative annual sector report and an e-co-operative platform. These were not achieved due to inadequate funds. Development of a co-operative management information system (CMIS) was also behind schedule with a completion rate of 60%. The Coffee Management Information System (CoffeeMIS) was developed to 40 % during the period.

KRA 6 on strengthening institutional capacity of the SDC covered several activities to improve service delivery. Key achievements were review and implementation of the authorized staff establishment; 28% of individual and 75% of group training requests were executed during the plan period with the balance attributed to inadequate funds. Majority of the officers in the SDC retained their good professional standing, after achieving the minimum training requirements. Other achievements under this objective include securing a total of 5,660 square feet of additional office space and purchase of 4 vehicles against a target of 40. Lack of funding prevented achievement of the targets.

The last strategic objective pertained mainstreaming issues related to climate change, special interest groups and human rights in the State Department for cooperatives. Health wellness support services

were provided through 4 campaigns. However, 15 targeted sensitization forums were not actualized due to inadequate funds. Other achievements include development of corruption prevention action plan and guidelines on sustainable environmental practices in the State department.

3.1.5.2 Challenges

The following were identified as key challenges emanating from implementation of the previous strategic plan

1. Inadequate funding

2. Inadequate office space, staff and vehicles

3. Delayed finalization of policy and legal instruments

4. Constant shift in placement of co-operative function in the executive structure

5. Covid-19 related disruptions

6. Varying functionality of the co-operative functions across devolved units

7. Restriction in one planning or budgeting sector despite the function cutting across all sectors.

3.1.5.3 Lessons Learnt

Some lessons were learnt in the course of implementing the precious strategic plan that inform strategies in the current plan as follows

1. There is need for a functional communication, data, information and knowledge management system for effective service delivery

2. There is need for a structured public participation framework and political good will in fast-tracking legal reforms.

3. There is need to set up intergovernmental coordination mechanism

4. There are topical issues in cooperatives sector that need technical guidance to ensure the sector is compliant to national and international standards

5. There is a need to strengthen professionalism of co-operative officers

6. There is a need for deeper engagement with strategic development partners

7. Adapt to government guidelines on business continuity plan

3.2 Stakeholder analysis

The stakeholders in the co-operative sector play a complementary role which is critical for realization of the Department's objectives and successful implementation of this strategic plan. The table below maps the stakeholders with their roles and expectations.

Table 3.3: Stakeholder Analysis

Stakeholders	Role	Expectations of stakeholders	Expectations of the organization
Co-operatives	• Aggregation of produce • Access to market • Mobilization of finances	• Enabling policy, procedures, guidelines, models, standards and legal framework • Fair enforcement of the law	• Offer feedback to the Department on performance • Provide effective and efficient services
	• Provision of affordable credits	• Enforcement of good governance • Timely information and education • Capacity building for devolved units • Collection, Collation and dissemination of up-to-date industry data • Evidence-based research to inform policy and development • Provision of annual industry performance report (scorecard) • Implementation of inquiry reports	• Compliance with policy, legal and regulatory framework • Upholding of good governance • Timely filing of returns with the Department • Implementation of inspection and inquiry reports • Promote self-regulation in the sector
International co-operative organizations (e.g. ICA, WOCCU)	• Provision of lobbying, advocacy, and technical support	• Technical co-operation • Growth and sustainability of the Sector in Kenya • Implementation of international agreements. • Good foreign relations	• Technical support to the Department • Support the co-operative sector
Development Partners	• Support in resources mobilization	• Transparency, accountability, and value for money • Proactive engagement	• Technical and financial support
County Governments	• Promotion and supervision of co-operatives	• Capacity building • Formulation of national policies, legal, regulatory and institutional framework • Collaboration and cooperation • Timely actions on requests • Timely provision of information	• Collaboration and cooperation • Timely response to requests • Implementation of policies and strategies

Stakeholders	Role	Expectations of stakeholders	Expectations of the organization
The National Treasury	Provision of financial support	• Effective management of resources allocated	• Timely financial/ funding support • Mobilization of financial resources
MDAs	Support in service delivery	• Collaboration and partnerships in value chain development	• Collaboration and synergy • Technical, and human resource capacity
SAGAs (SASRA, New KCC, New KPCU)	Enhance efficiency in provision of specialized services	• Collaboration and partnerships • Timely release of allocated funds • Budgetary support • Capacity development • Policy direction	• Performance reports • Service delivery to the sector
Private sector	• Support mandates of the Co-operatives	• Conducive business environment and Good Corporate Governance • Develop models for partnership with private sector	• Public private partnerships • Support sector development
Service Providers	• Provision of goods and services	• Conducive environment and good corporate governance	• Meeting contractual obligations (quality, quantity and timely delivery of goods and services)
Parliament	• Legislation, oversight and budgets approvals	• Initiate development of appropriate legislative instrument • Collaboration and accountability	• Offer legislative support and advocacy • Timely budget appropriation
Media	• Publicity of activities and information	• Supply credible information to media	• Fair coverage
Training and Research Institutions	• Provide education, training and research.	• Opportunities for internship and for skills development • Policy guidance • Enhanced linkages and networks with other research institutions and stakeholders at local level	• Supply of skilled manpower • Facilitating exchange programs • Key source of knowledge, information and data • Involvement in research and innovation agenda setting

Stakeholders	Role	Expectations of stakeholders	Expectations of the organization
Attorney General	• Assist in drafting legislative instruments and representation in courts • Provide legal advice	• Timely instructions on legal disputes • Provide raw drafts of legislative instruments	• Facilitate formulation of legislative instruments • Adequate representation in court
Judiciary	• Arbitrate on legal disputes	• Provide required pleadings in legal disputes • Active participation in court	• Timely determination of disputes • Enhance capacity of co-operatives tribunal
Presidential Economic Transformation Secretariat	• Provide advice to the presidency and MDAs	• Alignment of Department's priorities to BETA • Provide reports on the projects and programmes undertaken by the Department	• give technical support on alignment of programmes to BETA

CHAPTER 4: STRATEGIC ISSUES, GOALS AND KEY RESULTS AREAS

This chapter enumerates the strategic issues identified from the foregoing sections of situational and stakeholder analysis. These are the issues that militate against the vision and mission of the State Department, and resources will be committed to address them in the 5-year plan period.

4.1 Strategic Issues

The identified strategic issues facing the State Department are

1. Outdated and weak co-operative policy, legal and institutional framework;

2. Unaggregated value chain actors leading to limited production, value addition and market access by co-operatives;

3. Inadequate funding;

4. Weak governance in co-operatives;

5. Inadequate access to affordable financial services;

6. Limited SDC institutional service delivery capacity.

4.2 Strategic Goals

The strategic goals of the State Department tied to above strategic issues are

1. Enabling co-operative policy, legal and institutional framework;

2. Aggregated value chain actors;

3. Improved funding;

4. Improved governance in co-operatives;

5. Increased access to affordable financial services; and

6. Improved service delivery.

4.3 Key result areas

Table 4.1: Strategic Issues, Goals and Key Result Areas

Strategic Issue	Strategic Goal	Key Result Areas
Outdated and weak co-operative policy, legal and institutional framework	Enabling co-operative policy, legal and institutional framework	KRA 1: Policy, legal and institutional framework
Unaggregated economic units leading to limited production, value addition and market access by co-operatives	Aggregated value chain actors	KRA 2: Aggregated value chain actors KRA 3: Co-operative Marketing KRA 4: Co-operative aggregation infrastructure
Inadequate funding of the SDC	Improved funding of the SDC	KRA 5: Resource Mobilization
Weak governance in co-operatives	Improved governance in co-operatives	KRA 6: Co-operative governance tools
Inadequate access to affordable financial services by co-operatives	Increased access to affordable financial services by co-operatives	KRA 7: Co-operative Financial inclusion
Improved service delivery	Improved service delivery	KRA 8: Human Resource Management and Development KRA 9: Working environment KRA 10: Communications and ICT KRA 11: Knowledge management

CHAPTER 5: STRATEGIC OBJECTIVES AND STRATEGIES

This chapter lists the strategic objectives and main strategies that will be the focus of the State Department in the 5 years of the plan.

5.1 Performance projections

Table 5.1: Outcomes Annual Projection

Strategic Objective	Outcome	Outcome indicator	Projections				
			Year 1	Year 2	Year 3	Year 4	Year 5
SO 1: to update policy, legal, institutional framework	Up to date policy legal and institutional framework	No. of Policies/ laws/frameworks that are up to date	3	-	1	1	1
SO 2: Aggregate individuals into co-operatives	Aggregated value chain actors	No. of farmers/ producers/SMEs co-operatives in priority value chains	412	405	179	184	184
SO 3: Increase co-operatives access to markets	increased access to markets by co-operatives	No. of co-operative linked to KOMEX	0	9	7	0	0
SO4: develop aggregation infrastructure for upcoming co-operatives	co-operative infrastructure	No. of co-operative infrastructure[1] (installations)	147	310	315	315	336
SO5: secure resources for strategy	Increased financing of SDC	Number of Development partnership agreements	-	2	2	2	2
SO 6: Improve governance in co-operatives	Increased rate of survival of co-operatives	% of co-operatives surviving	35%	40%	45%	50%	55%
SO 7: Increase access to affordable financial services by co-operatives	Increased access to affordable financial services	Savings mobilized (Tn of Ksh.)	1.65	1.05	1.20	1.35	1.50
SO 8: improve quality of Human resource at SDC	Increased score of appraised staff	Average score of appraised staff (%)	90	90	95	95	100
SO 9: Improve staff working environment	Improved working environment	Average satisfaction score of staff (%)	30	40	60	80	100
SO 10: Increase digitization of services at SDC	Increased visibility and effectiveness of service delivery SDC services	% of services onboarded to e-citizen	20	20	21	30	57
SO 11: Develop a knowledge management system	improved management of knowledge created at SDC	% completion rate on co-operatives database	-	5	60	80	100

5.2 Strategic Choices

Guided by the above key result areas and the strategic goals the SDC shall pursue the following objectives.

1. To update policy, legal and institutional framework

2. To aggregate individuals into co-operatives

3. To increase co-operatives access to markets

4. To develop aggregation infrastructure for upcoming co-operatives

5. To secure resources for financing the strategy

6. To improve governance in co-operatives

7. To increase access to affordable financial services by co-operatives

8. To improve quality of human resource at SDC

9. To improve staff working environment at the SDC

10. To digitize services of SDC

11. To develop a knowledge management system

The choices of the strategies to achieve the above objectives and by extension key result areas are as enumerated in Table 5.2.

Table 5.2: Strategic Ojectives and Strategies

Key result area	Strategic objective (SO)	Strategies
KRA 1: Policy, legal and institutional framework	SO 1: to update policy, legal, institutional framework	1. Develop policies, standards, guidelines and legal instruments 2. Capacity building county cooperatives
KRA 2: Aggregated value chain actors	SO 2: Aggregate individuals into co-operatives	1. Registration of co-operatives along priority and other value chains 2. Transformation of SACCOs into Co-operatives
KRA 3: Co-operative Marketing	SO 3: Increase co-operatives access to markets	1. Linking co-operatives in value chains to KOMEX 2. Collection and dissemination of market information along value chains
KRA 4: Co-operative Infrastructure	SO4: develop aggregation infrastructure for upcoming co-operatives	1. Construction of infrastructure (ginneries) 2. Modernization of co-operative infrastructure-ICT (coffee)

Key result area	Strategic objective (SO)	Strategies
KRA 5: Resource Mobilization	SO5: secure resources for strategy	1. Development of project concept notes 2. Development partner engagement
KRA 6: Co-operative governance tools	SO 6: Improve governance in co-operatives	1. Develop governance manuals and guidelines 2. Capacity building 3. Carry out compliance audits
KRA 7: Co-operative Financial inclusion	SO 7: Increase access to affordable financial services by co-operatives	1. Facilitate savings mobilization 2. Facilitate access to affordable credit (borrowing powers)
KRA 8: Human Resource Management and Development	SO 8: improve quality of Human resource at SDC	1. Review that scheme of service for co-operative officers 2. Prepare and implement a skill gap analysis
KRA 9: Working environment	SO 9: Improve staff working environment	1. Provision of staff working equipment 2. Planting of trees (presidential directive)
KRA 10: Communications and ICT	SO 10: Increase digitization of services at SDC	1. Embrace publicity and outreach to improve SDC image 2. Operationalization of CMIS
KRA 11: Knowledge management	SO 11: Develop a knowledge management system	1. Establish a co-operative database 2. Perform quality assurance of co-operatives database

CHAPTER 6: IMPLEMENTATION AND CORDINATION FRAMEWORK

This section entails the implementation and coordination framework for delivery of the strategic plan including an implementation plan; organizational coordination structure; functional offices; responsibilities and an assessment of the staff establishment.

6.1 Implementation Plan

This section describes operationalization of the Strategic plan. Specifically, it presents the action plan, the process of budgeting and performance contracting in relation to the Plan.

6.1.1 Action Plan

The Action Plan presented in this sub-section comprises of identified strategic issues and goals; the key result areas; outcomes; strategic objectives; strategies; key activities; outputs and their indicators; annual targets and budgets together with an outline of respective responsibility holders leading and supporting execution of activities. This information is summarized in **Table 6.1.**

Table 6.1: Implementation Matrix

Strategic Issue: Outdated and weak co-operative policy, legal and institutional framework

Strategic Goal: Enabling co-operative policy, legal and institutional framework

Key Result Area 1: Policy, legal and institutional framework

Outcome: Up to date policy legal and institutional framework

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Responsibility Lead	Support
Development of policies, legal instruments	Development of Co-operative Financing Policy	Financing policy developed	No. of policies	1	-	1	-	-	-	-	-	3	5	2	Policy &Standards	Other technical department's
	Dissemination of Co-operative Financing Policy	Financing policy disseminated	No. of stakeholders	500	-	100	150	200	50	-	-	3	5	1	Policy &Standards	Other technical department's
	Review of Co-operative Anti- corruption Policy	Co-operative Anti-corruption Policy reviewed	% level of completion	100	-	40	100	-	-	-	5	10	5	2	Ethics &Governance	Other technical department's
	Development of Audit Policy	Audit Policy developed	% level of completion	100	-	-	-	50	50	-	-	-	3	3	Policy &Standards	Other technical department's
	Development of Co-operative transformation strategy	Co-operative transformation strategy developed	No. of Strategies	1	-	1	-	-	-	-	2	-	-	-	Policy &Standards	Other technical department's
	Dissemination of the Co-operative transformation strategy	Co-operative transformation strategy disseminated	No of stakeholders sensitized	400	-	100	100	100	100	-	2	2	2	2	Policy &Standards	Other technical department's
	Finalization of Co-operatives Bill	Co-operatives Bill enacted into an Act	% completion	100	-	100	-	-	-	-	13	-	-	-	Policy &Standards	Other technical department's
	Dissemination of the Co-operatives Act	Co-operatives Act disseminated	No of Stakeholders sensitized	400	-	-	200	200	-	-	-	3	3	-	Policy &Standards	Other technical department's
	Development of Co-operative Professionals Bill	Co-operative Professionals Bill developed	% completion	100	-	-	50	80	100	-	-	5	3	2	Policy &Standards	Other technical department's
	Development of Co-operative regulations	Co-operative regulations developed	% level of development	100	-	10	60	100	-	-	4	4	5	-	Policy &Standards	Other technical department's
	Dissemination of the co-operative regulations	Co-operative regulations disseminated	No. of Stakeholders sensitized	500	100	100	100	100	100	3	3	3	3	3	Policy &Standards	Other technical department's
	Develop prudential standards for non-deposit taking SACCOs	Standards developed	No. of standards	1	-	1	-	-	-	-	2	-	-	-	F&M	Other technical departments

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Target Y2	Target Y3	Target Y4	Target Y5	Budget Y1	Budget Y2	Budget Y3	Budget Y4	Budget Y5	Resp. Lead	Resp. Support
	Develop gender mainstreaming guidelines for co-operative governance	Gender mainstreaming guidelines developed	No.	1	-	-	1	-	-	0	0	1	0	0		
	Develop PWDs mainstreaming guidelines for co-operative governance	PWDs mainstreaming guidelines developed	No.	1	-	-	-	1	-	0	0	0	1	0		
	Develop youths mainstreaming guidelines for co-operative governance	Youths mainstreaming guidelines developed	No.	1	-	-	1	-	-	0	0	1	0	0		
	Develop refugee-minority groups mainstreaming guidelines for co-operative governance	Refugee mainstreaming guidelines developed	No.	1	-	-	-	1	-	0	0	0	1	0		
	Operationalize intergovernmental collaboration framework	Intergovernmental collaboration framework operationalized	% level of operationalization	100	-	40	60	80	100	-	5	3	3	3	Policy &Standards	Other technical department's
	Implementation of the 4-tier structure (Apex, Federations, Unions, Primary, One ward multipurpose co-operative)	The 4-tier structure implemented	No. of tiers implemented	5	-	1	1	1	1	-	2	2	2	2	Policy &Standards	Other technical department's
	Development of restructuring tools (Concept paper, model bylaws)	Restructuring tools developed	No. of tools	10	-	1	2	2	2	-	2	5	5	5	Policy &Standards	Other technical department's
	Development of climate and environment mainstreaming guidelines for co-operatives	Guidelines developed	No.	1	-	-	-	1	-	-	-	-	3	-	Policy &Standards	
	Develop model bylaws for the multi-value chain (one-ward one co-operatives)	Bylaws developed	No.	1	-	1	-	-	-	-	5	-	0	0	R&R	Other technical departments
Sub-Total										3	45	45	49	25		

Strategic issue: Unaggregated economic units leading to limited production, value addition and market access by co-operatives

Strategic Goal: Aggregate economic units into co-operatives

Key Result Area 2: Aggregating value chain actors

Outcome: Aggregated value chain actors leading to increased production, value addition, and market access by co-operatives

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Estimated Budget (Kshs. Millions) Y1	Y2	Y3	Y4	Y5	Responsibility Lead	Support
	Aggregation of Rice farmers into co-operatives	Rice co-operatives registered	No. of co-operatives	12	4	2	2	2	2	10	5	5	5	5	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of artisanal Fishermen into co-operatives	Artisanal fishermen co-operatives registered	No. of co-operatives	235	100	75	20	20	20	10	10	3	3	3	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of artisanal miners into co-operatives	Miners' co-operatives registered	No. of co-operatives	290	80	60	50	50	50	2	2	3	3	3	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of cotton farmers into co-operatives	Cotton Farmer co-operatives registered	No. of co-operatives	55	20	20	5	5	5	2	2	5	5	5	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of farmers growing edible oil crops and nuts into co-operatives	edible oil crops grower co-operatives registered	No. of co-operatives	35	10	10	5	5	5	2	2	5	5	5	F & M	R & R, Ethics & Governance, P & S, Audit, Planning

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target					Estimated Budget (Kshs. Millions)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Aggregation of Dairy and Livestock farmers into co-operatives	Dairy and Livestock farmer co-operatives registered	No. of co-operatives	29	10	10	3	3	3	5	5	5	5	5	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of SMEs in Leather and Leather products into co-operatives	SMEs in Leather co-operatives registered	No. of co-operatives	190	40	80	20	25	25	5	5	3	3	3	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of Tea farmers into co-operatives	Tea farmer co-operatives registered	No. of co-operatives	21	9	9	1	1	1	2	2	2	2	2	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of SMES in Affordable Housing into co-operatives	SMES (Housing) co-operatives registered	No of co-operatives	29	10	10	3	3	3	2	2	3	3	3	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Aggregation of Coffee farmers/SMEs into co-operatives	Coffee farmer co-operatives registered	No. of co-operatives	10	2	2	2	2	2	0	2	2	2	2	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Amalgamating coffee co-operatives	Coffee co-operatives amalgamated	No. of co-operatives	20	4	4	4	4	4	0	2	2	2	2	F & M	R & R, Ethics & Governance, P & S, Audit, Planning

| Strategies | Key Activities | Expected Output | Output Indicators | Target for 5 years | Target | | | | | Estimated Budget (Kshs. Millions) | | | | | Responsibility | |
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Aggregation of farmers growing Maize and other cereals into co-operatives	Maize grower co-operatives registered	No of co-operatives	29	10	10	3	3	3	0	10	4	4	4	F & M	R & R Ethics & Governance P & S Audit Planning
	Aggregation of Sugarcane farmers into co-operatives	Sugarcane farmers co-operatives registered	No of co-operatives	9	3	3	1	1	1	0	3	3	3	3	F & M	R & R Ethics & Governance P & S Audit Planning
	Aggregation of Horticulture farmers into co-operatives	Horticulture farmer co-operatives registered	No. of co-operatives	50	10	10	10	10	10	0	10	10	10	10	F & M	R & R Ethics & Governance P & S Audit Planning
	Transport SMEs aggregated	Transport SMEs co-operatives registered	No of co-operatives	350	100	100	50	50	50	7	7	7	7	7	F & M	R & R Ethics & Governance P & S Audit Planning
	Transforming transport SACCOs into transport co-operatives	SACCOS transformed	No of SACCOS	430	200	200	10	10	10	0	3	3	3	3	F & M	R & R Ethics & Governance P & S Audit Planning
	Aggregation of Kenyans in the Diaspora into co-operatives	Diaspora co-operatives registered	No. of co-operatives	5	1	1	1	1	1	0	3	3	3	3	F & M	R & R Ethics & Governance P & S Audit Planning

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Develop Strategy	Developing strategy for promotion and revitalization of prioritized value chains	Strategy developed	No of strategies	1	1	0	0	0	0	5	3	2	0	0	F & M	R & R; Ethics & Governance; P & S; Audit; Planning
Capacity Build	Training of County Co-operative Officers on aggregation	County Co-operative officers trained	No of officers	500	100	100	100	100	100	3	3	3	3	3	F & M	R & R; Ethics & Governance; P & S; Audit; Planning
Promote priority value chains	Participating in trade fairs and exhibitions to promote prioritized value chains	Trade fairs and exhibitions attended	No. of trade fairs/ exhibitions	20	4	4	4	4	4	2	2	2	2	2	F & M	R & R; Ethics & Governance; P & S; Audit; Planning
Sub-Total										105	144	143	141	141		

Key Result Area 3: Co-operative marketing

Outcome: increased access to markets by co-operatives

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Access market by prioritized value chains	Collect market information for various priority value chains	Market information collect ed	No. of reports	20	4	4	4	4	4	2	2	2	2	2	F & M	R & R; Ethics & Governance; P & S; Audit; Planning
	Developing a mobile application for updating producers on produce delivery to the co-operative and disseminationdmarket information	Mobileapplication developed	No. of applications	1	0	1	0	0	0	0	0.3	0.2	0	0	F & M	R & R; Ethics & Governance; P & S; Audit; Planning
	Dissemination of market information	Market information disseminated	No. of recipient value chains	16	16	16	16	16	16	0.3	0.3	0.3	0.3	0.3	F & M	R & R; Ethics & Governance; P & S; Audit; Planning

| Strategies | Key Activities | Expected Output | Output Indicators | Target for 5 years | Target | | | | | Estimated Budget (Kshs. Millions) | | | | | Responsibility | |
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Linking co-operatives in value chains KOMEX	Co-operatives linked to KOMEX	No. of commodity co-operatives linked	16	0	9	7	0	0	-	10	5	0	0	F & M	R & R Ethics & Governance P & S Audit Planning
Sub-Total										2.3	12.6	7.5	2.3	2.3		
Strategic Issue: Unaggregated economic units leading to limited production, value addition and market access by co-operatives																
Strategic Goal: Aggregated economic units into co-operatives																
Key Result Area 4: Infrastructure																
Outcome: Modernized co-operative infrastructure																
Modernize Co-operative Infrastructure	Construction of Rice milling plants for co-operatives	Rice milling plants constructed	No. of milling plants	6	0	0	2	2	2	0	0	10	10	10	F & M	R & R Ethics & Governance P & S Audit Planning
	Construction of cotton ginneries	Cotton ginneries constructed	No. ofginnerieses	6	1	-	1	2	1	150	0	200	640	320	F & M	R & R Ethics & Governance P & S Audit Planning
	Procuring and installation of milk coolers for airy co-operatives	Milk coolers procured and installed	No.	30	0	0	10	10	10	0	0	5	5	5	F & M	R & R Ethics & Governance P & S Audit Planning
	Refurbish co-operative coffee factories	Co-operative coffee factories refurbished	No.	490	-	-	50	200	220	-	-	100	250	270	F & M	R & R Ethics & Governance P & S Audit Planning

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Estimated Budget (Kshs. Millions) Y1	Y2	Y3	Y4	Y5	Responsibility Lead	Support
	Procuring and installation of maize processing equipment (shellers, dryers etc.)	Maize processing equipment procured and installed	No.	16	0	0	4	4	4	0	0	10	10	10	F & M	R & R, Ethics & Governance, P & S, Audit, Planning
	Procuring and distributing of ICT equipment to rural SACCOs	No. of SACCOs supported	No.	16	0	0	4	4	4	0	0	12	12	12	ICT	F & M
Access to Nairobi Coffee Exchange (NCE) by coffee co-operatives	Connecting NCE to coffee co-operatives	Coffee co-operatives connected to NCE	No	1	0	1	0	0	0	0	3	0	0	0	ICT	F & M
	Procuring and installing display screens at designated sites in the coffee growing counties	Display screens procured and installed	No.	11	0	0	11	0	0	0	0	3.3	0	0	ICT	F & M
Sub-Total										150	3	340.3	927	627		
Strategic Issue: Inadequate funding																
Strategic Goal: Improved funding																
Key Result Are 5: Resource mobilization																
Outcome: Improved financing of SDC																
Development approval and review of a strategic plan	Develop a strategic plan	Strategic plan developed	No. of plans	1	1	-	-	-	-	8	-	-	-	-	Central Planning & Projects Monitoring Department (CPPMD)	Other Departments
	Carry out a mid-term review of SP	Mid-term /end term review conducted	No. of reports	2	-	-	1	-	1	-	-	3	-	3	CPPMD	Other Departments
Development of a resource mobilization strategy	Develop a resource mobilization strategy.	Resource mobilization strategy developed	No of strategies	1	1	-	-	-	-	7	-	-	-	-	CPPMD	Other Departments
	Analysis of the SDC resource requirements	SDC resource requirements analyzed	No of reports	5	1	1	1	1	1	-	-	-	-	-	Finance / CPPMD	Other Departments
	Develop project Concept notes	Project concept notes developed	No. of project concept notes developed	5	1	1	1	1	1	3	3	3	3	3	CPPMD/CCD	All other departs

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
	Conduct pre-appraisal/pre-feasibility	Pre-appraisal conducted	No of pre-appraisals	1	2	2	1	1	-	4	10	10	5	-	F&M	CPPMD All other departs
	Participate in the forums for Development partners and GOK.	forums for Development partners and GOK attended	No of forums	20	4	4	4	4	4	3	3	3	3	3	PS/CCD	CPPMD/CFO
Procurement and asset management	Develop and asset register	Asset register and report developed	No. of reports	1	-	1				-	4.4	-	-	-	Accounts unit	Procurement, other departments
	Update the asset register	Asset register updated	No of update reports	12	-	-	4	4	4	-	-	1.2	1.4	1.6	Accounts unit	Procurement, other departments
	Undertake annual stock take	Inventory report compiled	No. of reports	5	1	1	1	1	1	0.6	0.7	0.8	0.9	1	Supply chain	All depts
	Prepare annual consolidated procurement plan	Procurement Plans prepared	No. of Plans	5	1	1	1	1	1	1	1.2	1.3	1.5	1.8	Supply Chain	All depts
	Conduct Asset Disposal	Assets disposed	No. of lots	100	20	20	20	20	20	1.5	0.5	0.5	0.5	1.5	Supply Chain	All depts
	Conduct market surveys	Market survey conducted	No. of reports	20	4	4	4	4	4	0.5	0.6	0.7	0.8	1.0	Supply Chain	All depts
Sub-Total										28.6	23.4	23.5	16.1	15.9		

Strategic Issue: Weak governance in co-operatives

Strategic Goal: Improved governance in co-operatives

Key Result Area 6: Co-operative governance tools

Outcome: Increased rate of survival of co-operatives

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Promotion of good governance in co-operatives	Develop a collaborative framework for co-operative education and training	Framework developed	No. of framework	1	-	-	1	-	-	-	-	-9	-	-	-Policy and Standards	All depts
	Capacity building of national and county co-operative and audit officers	National and county co-operative and audit officers' capacity trained	No. of trainings	20	4	4	4	4	4	4	4	4	4	4	Audit	Other depts
	Develop and disseminate manuals and guidelines[2]	Manuals and guidelines disseminated	No, of manuals and guidelines	12	2	3	4	3	0	10	15	20	15	0	Audit	Other depts
	Register audited accounts	audited accounts registered	No. of audited accounts	23200	4000	4200	4500	5000	5500	4	4.5	4.5	5	5.5	Audit	Other depts
	Approval of audit firms	Private audit firms applications processed	% of applications processed	100	100	100	100	100	100	1.8	2.0	2.0	2.0	2.0	Audit	Other depts

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Estimated Budget (Kshs. Millions) Y1	Y2	Y3	Y4	Y5	Responsibility Lead	Support
	Conduct inspections and inquiries	Inspections and inquiries conducted	No. of inspections and inquiries	74	14	15	15	15	15	28	30	30	30	30	R&R	Other depts
	Prepare and issue technical updates	Technical updates prepared and issued	No. of technical updates	15	3	3	3	3	3	3.5	3.5	3.5	3.5	3.5	Audit	Other depts
	Carry out compliance audits	Compliance audits conducted	No. of reports	235	47	47	47	47	47	5.5	5.5	5.5	5.5	5.5	Audit	Other depts
	Operationalize audit committees	Audit committees operationalized	No. of co-operatives complying	23500	4000	4500	4500	5000	5000	3.0	3.4	3.4	5.6	6.2	Audit	Other depts
	Provide advisory services	Advisory services provided	No. of reports	5	1	1	1	1	1	1	1	1	1	1	Audit	Other depts
	Develop an ADR framework	ADR framework developed	No. of frameworks	1	-	1	-	-	-	-	7	-	-	-	Ethics and Governance	Policy and Standards
	Carry out alternative dispute resolutions	Alternative dispute resolutions carried out	No. of disputes handled	25	5	5	5	5	5	3	5	4	4	4	Policy and Standards	Other technical depts
	Undertake and disseminate corruption surveys	Corruption surveys undertaken and findings disseminated	No. of surveys	8	-	2	2	2	2	-	3	3.5	4	4.5	Ethics and Governance	Other technical depts
	Review Code of conduct	Code of conduct reviewed	% level of completion	100	-	-	50	100	-	-	-	3	3.5	-	Ethics and Governance	Other technical depts
	Disseminate new code of conduct	Code of conduct disseminated	No of dissemination forums	10	-	-		5	5	-	-	-	7	4	Ethics and Governance	Other technical depts
	Sensitize co-operatives on governance and ethics	Co-operatives sensitized	No. of sensitization forums	10	2	2	2	2	2	3	3	3.4	3.5	4	Ethics and Governance	Other technical depts
	Review and gazette administrative procedures	Administrative procedures reviewed	% completion	100%	-	-	50	100	-	-	-	3	3.5	-	Ethics and Governance	Other technical depts
	Conduct sensitization for DIALS	Co-operatives sensitized	No. of sensitization forums	10	2	2	2	2	2	3	3	3.4	3.8	4	Ethics and Governance	Other technical depts
	Hold biennial governance conferences	Biennial governance conferences held	No. of conferences	2	-	1	-	1	-	-	3.5	-	4	-	Ethics and Governance	Other technical depts
	Develop and Fit and Proper test for co-operative leaders and managers	Vetting tool developed	No. of tools	1	-	1	-	-	-	-	3	-	-	-	Ethics and Governance	Other technical depts
	Disseminate Fit and Proper test for co-operative leaders and managers	Vetting tool for leaders and managers disseminated	No. of forums	6	-	-	2	2	2	-	-	3	3.5	3.5	Ethics and Governance	Other technical depts

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Estimated Budget (Kshs. Millions) Y1	Y2	Y3	Y4	Y5	Responsibility Lead	Support
	Enter and implement MOUs with law enforcement agencies	MOUs developed and implemented	No. of MoUs	5	1	1	1	1	1	3	3	3	3.5	3.5	Ethics and Governance	Other technical depts
Sub-Total										72.8	99.4	109.2	111.9	85.2		
Strategic Issue: Inadequate access to affordable financial services																
Strategic Goal: Increased access to affordable financial services																
Key Result Area7: Financial inclusion																
Outcome: Improved access to affordable financial services																
Facilitate access to affordable credit	Processing and approving of applications for borrowing powers by co-operatives	Applications processed and approved	%	100	100	100	100	100	100	1	1	1	1	1	F & M	-
	Capacity building of co-operatives on access to affordable credit	Regional training workshops held	No.	8	-	5	3	-	-	-	2	1	-	-	F & M	P & S
Facilitate savings mobilization	Developing guidelines on saving mobilization	Guidelines developed	No.	1	0	1	0	0	0	0	3	0	0	0	P & S	F & M
	Disseminating guidelines on saving mobilization	Guidelines disseminated	No.	8	0	0	8	0	0	0	0	2	0	0	F & M	P & S
	Capacity building county co-operative officers and officials on savings mobilization and reporting	Co-operative officers& officials trained	No.	1300	100	200	300	400	300	1	0.5	1	1	1	F&M	P &S, Audit, SASRA
	Reviving dormant SACCOs	Dormant SACCOs Revived	No.	75	5	10	15	20	25	0.3	0.6	0.9	1.2	1.5	F & M	R&R, Audit
	co-operative savings mobilization	savings mobilized	Amount (Kshs. Trillion)	1.65	1.05	1.20	1.21	1.30	1.35	0.5	0.5	0.5	0.5	0.5	F & M	R&R, Audit, P & S, Ethics and Governance, CPPMD, ICT
Enforce financial compliance	Facilitating SACCOs to recover non-remitted deduction through demand letters and agency notices	SACCOs non-remitted deductions recovered	Amount (Kshs Millions)	1,780	480	400	350	300	250	0.2	0.2	0.2	0.2	0.2	F & M	Audit P & S

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
	Facilitating members to get their Deposit refund from SACCOs after exit by writing demand letters	members facilitated to get their deposit refund	% requesting members	100	100	100	100	100	100	0.2	0.2	0.2	0.2	0.2	FM	P & S
Establish affordable credit Revolving fund	Develop an MoU with Agriculture Finance Corporation	No. of MoUs	1	1	1	-	-	-	-	3	-	-	-	-	F&M	Other technical department
		Revolving funds established	No of revolving funds created	1	0	0	0	1	0	0	0	0	500	0	F & M	Accounts P & S
Start-up SACCO guidelines	Reviewing SACCO start up guidelines	Guidelines Reviewed	No	1	0	1	0	0	0	0	3	0	0	0	P & S	F & M
	Conduct regional dissemination forums of SACCO Start-up guidelines	Regional forums held	No.	8	0	0	8	0	0	0	0	5	0	0	F & M	P & S
Facilitate co-operatives investments	Developing a Framework on co-operatives investments	Framework developed	No.	1	0	0	0	1	0	0	0	0	3	0	F&M	CPPMD P&S
Sub-Total										6.2	11	11.8	507.1	4.4		

Strategic Issue: Limited SDC institutional service delivery capacity

Strategic Goal: Improved service delivery

Key Result Area 8: Human resource development

Outcome: Improved score of appraised staff

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Human resource management and development	Undertake Staff Training and Competence development	-Skills Gap Analysis and Training projections undertaken	- No. of reports	6	2	1	1	1	1	20	15	15	15	20	HRM&D	All depts
	Prepare Succession management plan	-Succession Management Plan Prepared	No. of Plans	1	1	-	-	-	-	3	0	0	0	0	HRM&D	All depts
	Review the schemes of service for Co-operative Audit, officers and Assistants	schemes of service for Co-operative Audit, officers and Assistants reviewed	No. of schemes of service	3	3	-	-	-	-	10	0	0	0	0	HRM&D	All depts

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop Productivity Mainstreaming metrics Index	- Productivity mainstreaming index developed	No. of reports	5	1	1	1	1	1	4	4	4	4	4	HRM&D	All depts
	Undertake Staff Performance management	-Staff Performance Appraisal undertaken	No. of Reports	20	4	4	4	4	4	1	1	1	1	1	HRM&D	All depts
Sub-Total										80.57	55.03	51.27	57.92	63.77		

Key Result Area 9: Improve working environment

Outcome: Working environment improved

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Provision and management of working tools	Purchase of new motor vehicles	Motor vehicles purchased	No. of motor vehicles	14	2	-	4	4	4	29	33	26	30	36	Procurement	Administration
	Maintenance of motor vehicles	Motor vehicles maintained	No. of motor vehicles	20	4	4	4	4	4	6.7	7.9	3.0	11.2	12.4	Administration	SCM/CFO/DAG
	Acquisition of additional office space	Office space acquired	No. of Squared footage	20,000	5000	5000	5000	5000	5000	0.525	0.525	0.525	0.525	0.525	Administration	SCM/CFO/DAG
	Purchase office furniture and equipment (Seats)	Furniture and equipment purchased	No of seats and equipment purchased	230	170	-	20	20	20	13.6	-	1.6	1.6	1.6	Procurement	CFO/DAG
	Purchase office furniture and equipment (Tables)	Furniture and equipment purchased	No of table and equipment purchased	115	50	15	15	20	15	7.5	2.25	2.25	3	2.25	Procurement	CFO/DAG
Main streaming cross-cutting issues in SDC operations	Develop workplace gender policy	Workplace gender policy developed	No of policies developed	1	1	-	-	-	-	4	-	-	-	-	Administration	CFO/DAG
	Disseminate work place gender policy	Workplace gender policy disseminated	No of dissemination forums	10	-	5	-	5	-	-	0.1	-	0.1	-	Administration	CFO/DAG
	Disseminate workplace road safety policy	Workplace road safety policy disseminated	No of dissemination forums	10		5	-	5	-	-	0.25	-	0.25	-	Administration	ICT/CFO/DAG
	Develop and disseminate a service delivery charter	Service charter developed	No of Charters	1	1	-	-	-	-	2	-	-	-	-	Administration	ICT
	Disseminate service delivery charter	Service charter delivery disseminated	Displayed service charter	1	1	-	-	-	-	0.5	-	-	-	-	Administration	CFO/DAG
	Develop a complaint handing mechanism	Complaints handling manuals developed	No of manuals	1	1	-	-	-	-	2	-	-	-	-	Administration	CFO/DAG

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
	Develop HIV/AIDS workplace policy	HIV/AIDS workplace policy developed	No of policies	1	1	-	-	-	-	0.5	-	-	-	-	Administration	HR/CFO/DAG
	Develop Science Technology and innovation (STI) mainstreaming strategy	STI strategy developed	No of strategies	1	1	-	-	-	-	2	-	-	-	-	Administration	CPPMD/CFO/DAG/ICT
	Disseminate Science Technology and innovation (STI) strategy	STI strategy disseminated	No of dissemination forums	10	5	-	-	5	-	0.25	-	-	0.25	-	Administration	CPPMD/CFO/DAG/ICT
Identify and manage risks	Develop SDC institutional risk management policy framework	risk management policy framework developed	No. of Frameworks	1	1	-	-	-	-	2	-	-	-	-	Audit unit	All departs
	Review SDC institutional risk management policy framework	risk management policy framework reviewed	No. of framework reviews	4	-	1	1	1	1	-	1	1	1	1	Audit unit	All department
Environmental conservation	Carry out tree planting	Trees planted	No. of trees planted (M)	50	10	10	10	10	10	10	10	10	10	10	Admin	All depts
Sub-Total										80.57	55	44.4	57.9	63.8		

Key Result Area 10: Communication& ICT

Outcome: Increase visibility and effectiveness of service delivery SDC services

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Communications	Communication strategy	Communication strategy developed	No. of Strategies	1	-	-	-	--	-	6	-	-	-	-	Communication	Technical department &Admin
Publicity and outreach	Media coverage for events of the department e.g., Branding Production of publicity materials	Events attended	No. of events	10	2	2	2	2	3	1.5	1.5	1.5	2	2.5	Communication	ICT/Admin
	Process speeches	Speeches processed	No. of speeches processed	120	24	24	24	24	24	0.5	0.5	0.5	0.5	0.5	Communication	Technical/Admin department
	Holding media briefings	Radio interviews and television shows organized	No. of radio and TV shows organized	20	4	4	4	4	4	3	3	3	3	3	Communication	Admin/CFO/DAG/SCM
	Updating content on the departmental website	Content on the departmental website updated	No. of updates	180	36	36	36	36	36	0.5	0.5	0.5	0.5	0.5	Communication	ICT
	Posting of social media feeds (Twitter, Facebook, Youtubes)	Social media feeds posted	No. of posts	180	36	36	36	36	36	1.5	1.5	1.5	1.5	1.5	Communication	ICT

| Strategies | Key Activities | Expected Output | Output Indicators | Target for 5 years | Target | | | | | Estimated Budget (Kshs. Millions) | | | | | Responsibility | |
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Production of documentaries	Documentaries produced	No. of documentaries	10	2	2	2	2	2	2.5	2.5	2.5	2.5	2.5	Communication	ICT/SCM/CFO/DAG
	Holding media breakfast	Media breakfast attended	No. of media breakfast attended	20	4	4	4	4	4	3	3	3	3	3	Communication	Admin/ SCM/ CFO/DAG
	Reviewing print media	Print media reviewed	No. of newspaper reviewed	1,200	240	240	240	240	240	0.5	0.5	0.5	0.5	0.5	Communication	SCM/CFO/DAG
Digitalization of processes	Development and operationalization of CMIS	CMIS developed and operationalized	No. of operational modules	37	-	-	14	12	11	-	-	200	20	20	ICT	P&S; F&M; R&R; Audit; Ethics & Governance
	Rolling out CoffeeMIS to coffee factories	CoffeeMIS rolled out	No of factories	350	-	-	150	100	100	-	-	200	190	190	ICT	ICT
	Digitizing of records	Records digitized	% of identified manual records	100	-	-	50	25	25	-	-	200	100	100	ICT	All Departments-Support
	Onboarding of SDC services to e-citizen platform	SDC services onboarded	% of services onboarded	100	48	48	60	80	100	-	-	10	5	5	ICT	All Departments-Support
Enhance security of information system	Procurement, configure and installation of firewall system	Firewall system installed	No. of installations	1	1	0	0	0	0	20	5	5	5	5	ICT	All Departments-Support
Provide User support	Responding to user support requests	User support requests honored	% of requests honored	100	100	100	100	100	100	0.1	0.1	0.1	0.1	0.1	ICT	All Departments-Support
	Create and manage official emails for all SDC staff	Office emails created	% of operational official emails	100	100	100	100	100	100	0.1	0.1	0.1	0.1	0.1	ICT	All Departments-Support
	Redesigning SDC website	Websites re-designed	No. of Websites	1	0	1	0	0	0	-	2.4	-	-	-	ICT	All Departments-Support
	Manage network data ports	Network data ports maintained	No of reports	5	1	1	1	1	1	0.3	0.3	0.3	0.3	0.3	ICT	All Departments-Support
	Undertake inventory of ICT equipment	ICT inventory undertaken	No of reports	5	1	1	1	1	1	0.4	0.4	0.4	0.4	0.4	ICT	All Departments-Support
Sub-Total										39.9	21.3	628.9	334.4	334.4		

Key Result Area 11: Knowledge management

Outcome: improved management of knowledge created at SDC

Strategies	Key Activities	Expected Output	Output Indicators	Target for 5 years	Target Y1	Y2	Y3	Y4	Y5	Budget Y1	Y2	Y3	Y4	Y5	Lead	Support
Establish and verify co-operatives database	Conduct a stakeholder meeting	Stakeholder meeting held	No. of forums	2	-	2	-	-	-	-	2.5	-	-	-	Policy & Standards	CPPMD
	Sign an MoU with the Kenya National Bureau of Statistics	MoU signed	No. of MoUs	1	-	1	-	-	-	-	0.6	-	-	-	Policy & Standards	
	Create a co-operatives database	Database established	% completion	100	-	-	50	80	100	-	-	4	2	1	Policy & Standards	CPPMD
	Update co-operatives database	Database updated	No of reports	3	-	-	1	1	1	-	-	-	1	1.5	Policy & Standards	CPPMD
Conduct quality assurance of co-operatives data	Conduct quality assurance of co-operatives data	Quality assurance conducted	No. of reports	3	-	-	1	1	1	-	-	-	1	1	Policy & Standards	CPPMD
	Develop annual co-operatives sector report	Annual report prepared	No. of reports	5	1	1	1	1	1	2	2	2	2	2	Policy & Standards	CPPMD
	Disseminate annual co-operatives sector report	Dissemination forum held	No. of Reports	3	-	-	1	1	1	-	-	0.3	0.3	0.3	Policy & Standards	
	Conduct a national study on co-operatives	Co-operative Sector study conducted	No. of reports	1	-	-	1	-	-	-	-	6	-	-	Policy & Standards	R&R; P&S; F&M; Ethics & Governances; CPPMDs
Sub-Total										2	5.1	12.3	6.3	5.8		

6.1.2 Annual Workplan and Budget

The annual workplans of the State Department shall be extracted from this strategic plan every year. The annual workplan shall form the basis for the annual budgets, and shall be extracted just in time for the budgets, following the guidelines from the National Treasury. An activity-based-costing approach shall be used to cost the annual workplans again following the guidelines provided by the National Treasury.

6.1.3 Performance Contracting

The annual costed work plans shall constitute the activities in the annual performance contracts of the State Department.

6.2 Coordination Framework

The implementation of the Strategic Plan shall be coordinated by the Office of the Principal Secretary who is the accounting officer of the State Department. The Principal Secretary office will be aided by 14 technical and support departments/units. There are 5 technical departments that are coordinated by the Office of the Commissioner for Co-operative Development as shown in the following sub-sections.

6.2.1 Institutional Framework

The State Department is guided by the Co-operative Policy, which was approved in last MTP period. However, legally, operations are still following the old Co-operative Societies Act, which has not yet been aligned to the devolved system of governance. An evaluation of the same was done in last strategic planning period culminating into the Co-operative Societies Bill that is awaiting Parliamentary approval and enactment into law. Upon passing of the Bill, regulations will be revised and fresh ones developed to implement the Act. The priority institutional reform for the State Department in the current Strategic Planning period is enactment of the Co-operative Societies Bill with a timeline of the year 2024.

The proposed organizational structure of the State Department is as shown in **figure 1** below.

Figure 1: SDC organization structure
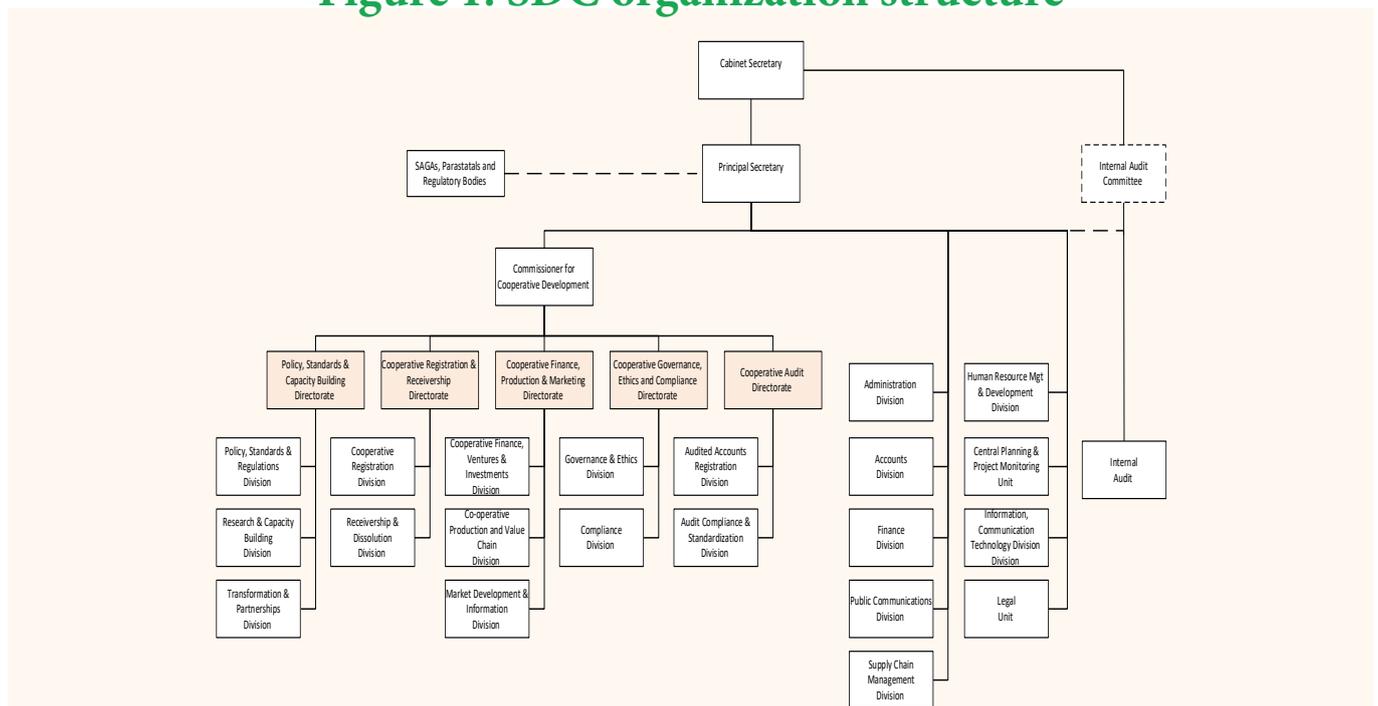
6.2.3 Staff Establishment, Skills Set and Competence Development

The State Department has an authorized establishment of 143 officers against an optimal staffing level of 299 officers. However, the in-post comprises of 125 officers leading to a shortage of 174 officers. The shortage in human resources shall be filled through recruitment for technical directorate and deployment for support services.

Table 6.2: Staff Establishment

OFFICE OF THE PRINCIPAL SECRETARY					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
1	Principal Secretary	1	1	1	0
2	Asst Director Office Administrator	1	1	1	0
3	Senior Office Administrator	0	1	1	0
4	Assistant Office Administrator	1	0	0	-1
5	Principal Driver II	1	1	1	0
6	Driver II/I/Snr	1	1	1	0
7	Cleaning Supervisor I	1	1	2	+1
8	Cleaning Supervisor 2b/2a	1	1	0	0
	Sub Totals	**7**	**7**	**7**	**0**
ADMNISTRATION					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
1	Secretary Administration	0	1	0	-1
2	Director Administration	1	0	1	+1
3	Senior Deputy Secretary	0	1	1	0
4	Under Secretary	1	1	2	+1
5	Senior Assistant Secretary	1	1	1	0
6	Assistant Secretary I	0	1	0	-1
7	Assistant Secretary II/ III	1	0	1	+1
	Sub Totals	**4**	**5**	**6**	**+1**
RECORDS MANAGEMENT					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
1	Assistant Director, Records	1	1	0	-1
2	Senior Records Mgt.Officer	1	1	0	-1
	Records Mgt.Officer I	0	1	1	0

OFFICE OF THE PRINCIPAL SECRETARY					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
3	Records Mgt.Officer III/II/	2	1	1	0
	Sub Totals	**4**	**4**	**2**	**-2**
HUMAN RESOURCE MANAGEMENT & DEVELOPMENT					
1	Secretary HRM&D	0	1	0	-1
2	Director HRM&D	1	0	1	+1
3	Deputy Director HRM&D	0	1	0	-1
4	Assistant Director HRM	1	1	1	0
5	Principal Human Resource Management Officer/PHRMO	1	1	0	-1
6	Principal Human Resource Management Assistant	1	2	2	0
7	Human Resource Management Officer II/I/Senior	2	2	2	0
8	Human Resource Management Assistant Snr	0	2	2	0
9	Human Resource Management Assistant III/II	1	2	2	0
	Sub Totals	**7**	**12**	**10**	**-2**
ACCOUNTS					
1	Senior Deputy Accountant General	0	1	0	-1
2	Deputy Accountant General	1	1	1	0
3	Asst. Accountant General	0	1	2	+1
4	Principal Accountant	1	2	1	-1
5	Accountant II/I/Senior	1	2	1	-1
6	Accountant II/I	1	2	2	0
	Sub- Totals	**4**	**9**	**7**	**-2**
FINANCE					
1	Chief Finance Officer	1	1	0	-1
2	Senior Principal Finance Officer	1	1	1	0
3	Principal Finance Officer	0	1	2	+1
4	Finance Officer III/II	1	1	2	+1
	Sub- Totals	**3**	**4**	**5**	**+1**
SUPPLY CHAIN MANAGEMENT SERVICES					
1	Deputy Director Supply Chain Management Services	1	1	1	0
	Ass Director Supply Chain Management	0	0	0	0

OFFICE OF THE PRINCIPAL SECRETARY					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
2	Principal Supply Chain Officer	1	1	1	0
3	Supply Chain Officer II/I/Snr.	1	1	1	0
4	Supply Chain Mgt Assistant I	0	1	0	-1
5	Supply Chain Mgt Assistant IV/III/II/Snr	1	1	1	0
	Sub- Totals	**4**	**5**	**4**	**-1**
CENTRAL PLANNING AND PROJECT MONITORING DEPARTMENT					
1	Director Planning	0	1	1	0
2	Chief Economist	1	1	0	-1
3	Principal Economist	0	1	0	-1
4	Senior Economist	0	1	1	0
5	Economist II/I	1	2	3	+1
	Sub- Totals	**2**	**6**	**5**	**-1**
PUBLIC COMMUNICATION					
1	Deputy Director of Public Communication	0	1	0	-1
2	Assistant Director of Public Communication	1	1	0	-1
	Principal Public Communication	0	0	0	0
	Public Communications Officer II/I/Senior	1	1	1	0
	Public Communications Assistant II/I/ Senior	0	1	2	+1
	Sub- Totals	**2**	**4**	**3**	**-1**
INFORMATION COMMUNICATION TECHNOLOGY (ICT)					
2	Asst Director ICT	1	1	0	-1
3	Principal ICT Officer	0	1	1	0
4	Information Communication Technology Officer/Senior	1	2	3	+1
	Sub- Totals	**2**	**4**	**4**	**0**
LEGAL UNIT					
1	Senior Principal State Counsel	1	1	0	-1
2	Principal State Counsel	0	1	2	+1
3	State Counsel II/I/Snr	1	1	0	-1
	Sub- Totals	**2**	**3**	**2**	**-1**
DEPARTMENT OF CO-OPERATIVES					
COMMISSIONER OF CO-OPERATIVES					
1	Comm. for Co-op. Dev.	1	1	1	0

S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
OFFICE OF THE PRINCIPAL SECRETARY					
2	Principal Assistant Office Administrator	1	1	1	0
3	Driver II/I/Snr	1	1	1	0
4	Support Staff II/I/Senior	1	1	1	0
	Sub- Totals	**4**	**4**	**4**	**0**
CO-OPERATIVE GOVERNANCE, ETHICS AND COMPLIANCE DIRECTORATE					
1	Senior Deputy Commissioner for Co-operative Development	0	1	0	-1
2	Deputy Commissioner for Co-operative Development	0	2	1	-1
3	Assistant Commissioner for Co-operative Development	0	4	2	-2
4	Principal Co-operative Officer	0	8	2	-6
	Principal Assistant Co-operative Officer	0	1	1	0
	Senior Co-operative Officer	0	4	0	-4
	Senior Assistant Co-operative Officer	0	2	0	-2
	Co-operative Officer II/I	0	5	0	-5
	Assistant Co-operative Officer II/I	0	2	0	-2
	Assistant Co-operative Officer III	0	2	0	-2
	Sub- Totals	**0**	**31**	**6**	**-25**
CO-OPERATIVE FINANCE AND MARKETING DIRECTORATE					
1	Senior Deputy Commissioner for Co-operative Development	1	1	1	0
2	Deputy Commissioner for Co-operative Development	2	3	0	-3
3	Assistant Commissioner for Co-operative Development	4	7	3	-4
4	Principal Co-operative Officer	4	12	9	-3
5	Principal Assistant Co-operative Officer	0	1	0	-1
6	Senior Co-operative Officer	4	14	0	-14
7	Senior Assistant Co-operative Officer	4	2	0	-2
8	Co-operative Officer II/I	4	12	1	-11
9	Assistant Co-operative Officer II/I	0	2	0	-2
10	Assistant Co-operative Officer III	0	3	0	-3
	Sub- Totals	**19**	**57**	**14**	**-43**
CO-OPERATIVE REGISTRATION AND REGULATION DIRECTORATE					

OFFICE OF THE PRINCIPAL SECRETARY					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
1	Senior Deputy Commissioner for Co-operative Development	0	1	0	-1
2	Deputy Commissioner for Co-operative Development	2	2	2	0
3	Assistant Commissioner for Co-operative Development	4	9	5	-4
4	Principal Co-operative Officer	6	8	6	-2
5	Principal Assistant Co-operative Officer	6	2	0	-2
6	Senior Co-operative Officer	6	10	0	-10
7	Senior Assistant Co-operative Officer	6	2	0	-2
8	Co-operative Officer II/I	6	6	1	-5
9	Assistant Co-operative Officer II/I	0	3	0	-3
	Sub- Totals	**36**	**46**	**14**	**-32**
POLICY AND CAPACITY BUILDING DIRECTORATE					
1	Senior Deputy Commissioner for Co-operative Development	1	1	0	-1
2	Deputy Commissioner for Co-operative Development	2	3	2	-1
3	Assistant Commissioner for Co-operative Development	6	9	4	-5
4	Principal Co-operative Officer	6	16	6	-10
	Principal Assistant Co-operative Officer	0	1	0	-1
	Senior Co-operative Officer	0	6	0	-6
	Senior Assistant Co-operative Officer	0	2	0	-2
	Co-operative Officer II/I	0	7	0	-7
	Assistant Co-operative Officer II/I	0	2	0	-2
	Assistant Co-operative Officer III	0	2	0	-2
	Sub- Totals	**15**	**49**	**12**	**-37**
CO-OPERATIVES AUDIT DIRECTORATE					
1	Director of Co-operative Audit	1	1	1	0
2	Deputy Director for Co-operative Audit	2	2	2	0
3	Assistant Director for Co-operative Audit	4	4	4	0
4	Principal Co-operative Auditor	7	14	13	-1
5	Senior Co-operative Auditor	7	14	0	-14
6	Co-operative Auditor II/I	7	7	0	-7
7	Co-operative Auditor III	0	7	0	-7

OFFICE OF THE PRINCIPAL SECRETARY					
S/No	Designation	New A/E (A)	Optimal staffing levels (B)	In-Post (C)	Variance (C-B)
	Sub- Totals	**28**	**49**	**20**	**-29**
ADMINISTRATIVE SUPPORT SERVICES					
1	Principal Clerical Officer	1	1	2	+1
2	Chief Clerical Officer	2	0	4	+4
3	Clerical Officer II/I/Snr	4	1	12	+11
4	Support Staff III/II/I/Senior/Supervisor/ Cleaning Supervisor II/I.	5	1	14	+13
5	Principal Driver I	0	1	2	+1
6	Principal Driver II	1	1	0	-1
7	Driver III/II/I/Senior Driver /Chief	6	1	6	-5
8	Principal Librarian	1	1	0	-1
9	Librarian II/I	1	1	0	-1
10	Librarian Assistant III/II/I/Snr/chief	0	1	1	0
11	Principal Office Administrator	1	1	0	-1
12	Principal Assistant Office Administrator	1	1	6	-5
13	Senior Office Administrator	1	2	0	-2
14	Senior Assistant Office Administrator	1	12	3	-9
15	Office Administrator I	0	2	1	-1
16	Assistant Office Administrator	1	6	0	-6
17	Senior Assistant Office Administrator I	1	12	1	-11
18	Assistant Office Administrator III & II	2	2	3	+1
19	Office Administrative Assistant I	1	2	0	-2
20	Office Administrative Assistant III/II	1	6	0	-6
21	Receptionist III/II/I	1	12	0	-12
22	Security Officer II	0	3	3	0
	Sub- Totals	**32**	**70**	**58**	**-12**

6.2.4 Leadership

The leadership of the State Department is led by the Office of the Cabinet Secretary at the Ministerial level and the Office of the Principal Secretary at the State Department level. The strategic issues and key result areas have been allocated to specific departments alongside the organizational structure of the State Department. The heads of these departments participated in identification of the strategic issues and strategies and will be the leaders of the respective KRAs. They shall translate the activities in the Strategy to their departmental work plans. Data on performance of the activities under each KRA will be sought from the departmental heads who aggregate the total achievements of the themes they will have leadership on.

6.2.5 Systems and Procedures

The Strategic Plan revolves around the mandates of the State Department of aggregating economic units into co-operatives and providing a conducive policy and legal environment for the same. The functions/mandates were unbundled at the end of the financial year 2022/23. These shall be executed through 5 technical departments supported by the administrative departments. The office of the Principal Secretary coordinates all the systems and procedures of the State Departments aided by respective departmental/section/unit heads. The technical procedures relating to co-operative promotion and development are coordinated by the Office of the Commissioner for Co-operatives Development (CCD). These technical departments execute different mandates that will support development of co-operatives along 16 value chain (9 of which are priority value chains in the MTP IV). The operations of the technical directorates are supported by administrative functions that are overseen by respective heads of departments/units. The specific responsibilities of each office in the system and procedures of the State Department are as follows.

Office of the Principal Secretary

The functions will entail;

i.   Implementing Government Policies and Strategic Plans within or through the State Department;

ii.   Ensuring efficient and effective utilization of human and financial resources in the State Department;

iii. Facilitating the achievement of the goals and objectives of Government, including Inter-Governmental Programmes and Projects;

iv.   Promoting the National Values and Principles of Governance set out under Article 10 of the Constitution, as well as the Principles of Public Service set out under Article 232 of the Constitution.

Office of the Commissioner for Co-operative Development

i.   Manage provision of efficient and effective legal and registration services;

ii.   Spearhead, oversee and participate in the formulation, reviewing and implementation of the Co-operative Development Policy, Regulations, Rules and Strategies in conformity with the State Department's Mandate;

iii. Oversee development and implementation of programmes and projects;

iv.   Enforce compliance with co-operative legislation;

v.   Ensure the adoption of good governance practices in the co-operative societies;

vi.   Oversee and ensure preparation and implementation of strategic objectives and work plans;

vii. Oversee the preparation and implementation of the department's performance contracts and work plans for the Directorate;

viii. Oversee, prepare and implement the department's performance appraisal systems;

ix.   Institute operational accountability;

x.   Oversee the management of finance and assets of the Directorates; and

xi.   Represent the Directorates in national, regional and international fora.

Policy, Standards and Capacity Building Directorate

i.   Develop, review and coordinate implementation of co-operative policies;

ii.   Develop and review legal and regulatory framework for development of co-operatives;

iii. Develop, review and coordinate implementation of co-operative standards;

iv.   Develop and review co-operative education and training manuals;

v.   Build capacity of county governments on co-operative technical matters;

vi.   Undertake co-operative research;

vii. Negotiate and coordinate implementation of multilateral and bilateral agreements, charters and protocols on co-operative development;

viii. Develop and coordinate the implementation of intergovernmental relations and collaboration framework; and

ix.   Develop and coordinate the implementation of a co-operative transformation strategy.

The Directorate will be organized into the following three (3) Divisions:

a.   Policy, Standards and Regulations Division;

b.   Research and Training Division; and

c.   Co-operative Transformation & Partnership Division.

Co-operative Registration & Receivership Directorate

i.   Registration of co-operatives;

ii.   Develop and review model co-operative by-laws;

iii. Registration of amended co-operative by-laws;

iv.   Support County governments to aggregate MSMEs into viable co-operatives;

v.   Maintenance of the national co-operative register;

vi.   Registration of charges and debentures;

vii. Conduct name search, name reservation and official searches;

viii. Develop guidelines on management of assets owned by dormant co-operatives;

ix.   Provide statutory management to revitalize non performing co-operatives;

x.   Deregistration of co-operatives;

xi.   Liquidation of co-operatives; and

xii. Provide technical and legal support services in implementation of co-operative legislation.

Co-operative Finance, Production and Marketing Directorate

i.   Coordinate the implementation of savings, credit, dividends, investment, member recruitment among other financial co-operatives policies;

ii.   Implement risk, operational and prudential guidelines and regulations for co-operatives;

iii. Facilitate recovery of members funds by issuing demand and agency notices;

iv.   Approve borrowing powers of co-operative societies to control external borrowing;

v. Approve terms and conditions of service for co-operative movement employees;

vi. Develop mechanisms/strategies to transform micro and small enterprises into co-operatives;

vii. Establishment and administration of the Co-operative Development Fund;

viii. Establish and coordinate operations of the co-operative shares trading platform;

ix. Develop, review and coordinate implementation of guidelines on dividends, retained earnings and management of reserve funds;

x. Develop regulations on offshore borrowing, inter co-operative borrowing and borrowings from non-bank institutions by co-operatives;

xi. Facilitate co-operatives to access government funds, subsidies, waivers and grants;

xii. Develop guidelines on co-operative-public- private partnership in financing co-operatives;

xiii. Enforce implementation of investment policy for co-operatives in the areas of affordable housing, agro processing and manufacturing amongst others;

xiv. Establish a co-operative data base by mapping out existing co-operatives in liaison with the county governments;

xv. Promote co-operative ventures in emerging areas (waste management, energy production, conservation);

xvi. Promote and support value chain revitalization and development, market intelligence & linkages and market access;

xvii. Restructuring of key farmers organizations including KFA, New KPCU, KNTC, New KCC amongst others, to participate in supply of farm inputs leveraging on existing infrastructure; and

xviii. Revamp underperforming export commodities including pyrethrum, cotton, cashew nuts among others.

Co-operative Governance, Ethics and Compliance Directorate

i. Promote good governance and ethics in co-operatives;

ii. Enforce compliance with the Co-operative Societies Act, rules and other regulations by co-operatives;

iii. Initiate the development and review of governance legislations in collaboration with the relevant stakeholders;

iv. Formulation and enforcement of management standards and norms for co-operatives;

v. Develop, review and enforce co-operative anti-corruption policies;

vi. Carry out inquiries, inspections and investigations on the affairs of co-operatives and enforcement of surcharges;

vii. Collaboration and linkages with other governance enforcing agencies and organizations; and

viii. Development and administration of good governance instruments for co-operative society staff and leaders.

Co-operative Audit Directorate

i. Development and review of Co-operative Audit Policy, Operational guidelines and manuals;

ii. Registration of societies audited accounts;

iii. Carrying out compliance audits of co-operatives and enforcement of the Co-operative Societies Act;

iv. Approval of audit firms accredited to audit co-operative societies;

v. Preparation and dissemination of technical/professional updates and guidelines on Co-operative Accounting and Audit;

vi. Preparation and review of accounts reporting and presentation formats;

vii. Capacity building of County Governments on co-operative accounting and audit;

viii. Carrying out special audits, inspections and inquiries;

ix. Maintaining societies audit data and information; and

x. Provision of tax consultancy to Co-operative Societies and ensuring uniformity in application of tax laws.

Administrative Support Services

Administration Division

i. Coordinate implementation of administrative policies, procedures and strategies;

ii. Coordinate management of the registry;

iii. Coordinate maintenance of office buildings and facilities;

iv. Oversee maintenance, repair and safeguard of the organization's assets;

v. Coordinate routine and general cleanliness;

vi. Coordinate emergency operations and contingency plans;

vii. Coordinate provisions of security services;

viii. Coordinate planning of appropriate office accommodation and layout to ensure optimal usage of space;

ix. Ensure a conducive working environment and adherence to OSHA 2007 provisions on adequate space, proper lighting, access to clean drinking water;

x. Ensure provision of proper and adequate working tools and ergonomic equipment;

xi. Oversee management of contracts involving cleaning, security, maintenance and utility services;

xii. Fleet management;

xiii. Ensure proper management of stores;

xiv. Coordinate management of central services involving telephone, transport, security and records management services;

xv. Gender and Disability mainstreaming;

xvi. HIV/AIDS mainstreaming;

xvii. Environment management mainstreaming;

xviii. Develop appropriate customer care strategies; and

xix. Develop complaint management strategies.

Human Resource Management Division

i. Develop, interpret and implement human resource management policies, strategies and procedures;

ii. Provide advice on matters relating to human resource management;

iii. Coordinate human resource planning;

iv. Administrate employee benefits and remuneration;

v. Manage staff recruitment, selection, induction and placement;

vi. Develop and implement capacity building programmes and strategies;

vii. Formulate and implement performance management systems;

viii. Administrate staff medical scheme and welfare programmes;

ix. Manage staff welfare and employee relations;

x. Manage staff disciplinary process and grievances;

xi. Administrate employment contracts, pensions and gratuities;

xii. Maintain staff establishment and employee records;

xiii. Manage human resource information systems;

xiv. Coordinate the implementation of the training policy; and

xv. Facilitate performance management through the annual staff appraisal process.

Finance Division

i. Develop and maintain efficient financial management of the State Department;

ii. offer strategic leadership on all matters pertaining to prudent financial management;

iii. advice on financial planning, budgeting, cash flow and investment;

iv. management of finances on all matters of the State Department and report in accordance with the laid down guidelines;

v. process of estimates;

vi. administer and monitor the budget and work plan in accordance with financial management procedures;

vii. monitor, evaluate and forecast revenue and expenditure control;

viii. prioritize projects and programmes for the results based and financial allocations in the budget;

ix. promote efficient allocation and utilization of financial resources;

x. coordinate the design and financial aspect for all donors and agreements with donor agencies; and

xi. e-allocate funds within the budget.

Accounts Division

i. Facilitate timely process of payments;

ii. Provide advisory services to accounting officer in financial matters;

iii. Preparation of periodical financial statements and reports;

iv. Timely return of expenditure reports;

v. Approve financial statements and reports before submitting them to Treasury;

vi. Ensure compliance of accounting standards and guidelines;

vii. Ensure strong internal control system and checks in the accounts section;

viii. Ensure optimum level of liquidity through requisition of Exchequer;

ix. Attend Public Accounts Committee hearings and responds;

x. Cash Management;

xi. Preparation and implementation of cash-flow management and Projections;

xii. Responding to audit queries and Public Accounts Committee;

xiii. Custodian of accountable documents and records; and

xiv. Ensure proper book keeping and records.

Central Planning and Projects Monitoring Department

i. Coordinate the formulation, implementation and review of strategies, policies, plans and programmes in line with the State Department's mandate;

ii. Prepare and review the State Department's Strategic Plan;

iii. Monitor projects and programs of the State Department;

iv. Prepare annual work plans;

v. Coordinate the preparation of annual Performance Contracts;

vi. Monitor and evaluate Performance Contract targets;

vii. Undertake economic analysis of development projects and programmes implemented by the State Department;

viii. Prepare planning, monitoring and evaluation of reports; and

ix. Provide input in budget making process to ensure budgeting is aligned to Departments mandate and programmes.

Supply Chain Management Division

i. Implement and interpret supply chain management policies, regulations and procedures;

ii. Oversee the procurement processes and procedures to ensure compliance with the Public Procurement and Asset Disposal Act 2015, Public Procurement and Disposal Regulations, 2006 and other laws and policy documents that impact on procurement;

iii. Advise the State Department on supply chain management matters; prepare annual procurement plans for goods and services;

iv. Ensure security and proper preservation of stores;

v. Manage, requisition, receive and issue stores;

vi. Liaise with the National Treasury and the Public Procurement Oversight Authority on matters related to procurement and asset disposal;

vii. Procure and dispose goods and services;

viii. Ensure prompt payment to suppliers;

ix. Maintain updated lists of pre-qualified and approved suppliers;

x. Introduction of modern inventory management techniques and approaches;

xi. Prepare tender and prequalification documents for expression of interest for the board;

xii. Monitor contract management by the user department to ensure implementation of contracts in accordance with the terms and conditions of contracts;

xiii. Carry out market surveys to inform the placing of orders or adjudication by the relevant awarding authority;

xiv. Conduct periodic and annual stock taking;

xv. Maintain and archive procurement and asset disposal documents and records for the required period; and

xvi. Submit quarterly reports to the National Treasury and Public Procurement Regulatory Authority (PPRA).

Information Communication Technology Division

i. Plan, monitor and evaluate information communication technology (digitalization/digitization) programmes and activities;

ii. Formulate and develop Implementation of Curriculum Reforms' information infrastructure;

iii. Maintenance of ICT standards;

iv. Systems analysis and design;

v. Development and implementation of computerized information systems such as CMIS/CoffeeMIS;

vi. Carry out research and development on ICT standards, guidelines and approaches;

vii. Coordinate consistent and efficient application of ICT standards and guidelines;

viii. Develop and maintain the SDC website;

ix. Coordinate the development of the ICT policy and regulatory framework;

x. Liaise with hardware and software vendors for administration of guarantees and warranties;

xi. Develop and monitor appropriate security frameworks and procedures;

xii. Oversee the installation and maintenance of computer systems; and

xiii. Provide advisory services to the management on all matters related to ICT.

Legal Services Unit

i. Formulation, implementation and review of legal policies, legislations, regulations and procedures;

ii. Provision of advice on all legal matters that affect the State Department and its operations;

iii. Liaise with the Office of the Attorney General on legal matters;

iv. Draft contracts, Memorandums of Understanding (MOUs) and other legal documents on behalf of the State Department;

v. Facilitate compliance with all statutory requirements;

vi. Establish legal status of all assets, liabilities, and claims;

vii. Preparation of Board work plans, Board evaluation, Governance Audit and Implementation of the code of conduct and ethics;

viii. Maintain and update the register of conflicts of interest; and

ix. Ensure that staff of the State Department are aware of relevant laws.

Internal Audit Division

i. Conduct risk-based, value-for-money and systems audits;

ii. Ascertain the State Department's compliance with the relevant Internal audit statutes, policies, administrative government circulars and guidelines;

iii. Monitor risk exposure and advice the management;

iv. Audit governance mechanisms and systems of the State Department;

v. Preparation and submission of annual audit plans;

vi. Review and implementation of Internal Audit strategies;

vii. Verification of existence of assets administered by the State Department; and

viii. Preparation and submission of periodical audit reports.

Public Communications Unit

i. Develop and implement corporate communication, strategies, procedures and programmes;

ii. Enhance a positive corporate image of the State Department;

iii. Facilitate timely and accurate internal and external communication;

iv. Read and analyze media on issues affecting the State Department;

v. Respond to media enquiries;

vi. Write commentaries to promote the State Department's visibility and image;

vii. Arrange for television and radio interviews;

viii. Write press releases and statements;

ix. Lobby media on articles that affect the State Department;

x. Manage notice boards and suggestion boxes;

xi. Receive, acknowledge, resolve complaints and communicate to clients;

xii. Manage social media and press; and

xiii. Promote awareness of the State Department through brochures and newsletters.

6.3 Risk Management Framework

There are several risks that the State Department has identified as potential pitfalls in implementation of the Plan. The perceived likelihood of occurrence was also evaluated using the approach for risk management framework provided by the National Treasury. A summary of the framework is presented in **Table 6.4.**

Table 6.3: Risk Management Framework

S/No.	Risks	Risks description	Risk Likelihood	Severity	Overall Risk Level	Mitigation measures
	Strategic	Non-achievement of targets (co-operative registration)	Medium	High	High	Integrate SDC officers in value chain committees
	Legal	Litigation by co-operatives societies and general public	Low	High	Medium	Adopt Alternative Dispute resolution
	Financial	Budget cuts/poor economic growth	Medium	Medium	Medium	Engage more partners through the resource mobilization strategy / Public Private Partnership
	Human resource / people risk	Failure of planned recruitments to fill establishment	Low	High	Medium	
		Weak Succession Management	Medium	High	Medium	Reorganize departmental teams
	Reputational risk	Counties resisting oversight of co-operatives in their purview	Medium	High	Medium	Active participation in the inter-governmental relations committee
	Information risk	Failure to collect oversight data on co-operatives	Low	High	Medium	Digitalizing data and procedures for reporting and oversight
	Technology risks	Failure of CMIS modules	Low	High	Medium	Develop a business continuity plan
	Security risks	Cyber-attacks on SDC web platforms	Low	High	Medium	Install firewalls/ back ups

CHAPTER 7: RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

This chapter outlines the financial requirements of the proposed strategies and activities and resource gaps generated from the current available financing. The strategies for mobilizing resources to close the identified resource gaps are also highlighted.

7.1 Financial requirements

The estimated financial requirements for implementing the Strategic plan in the five years totals Ksh. 9.94 billion, apportioned by Key Result Areas (KRAs) and years as follows.

Table 7.1: Financial Requirements for Implementing the Strategic Plan

Cost Item	Projected resource requirements (Millions of Ksh.)					
	Year 1-2023	Year 2-2024	Year 3-2025	Year 4-2026	Year 5-2027	Total
KRA 1	3	45	45	49	25	**167**
KRA 2	57	83	75	73	73	**361**
KRA 3	2.3	12.6	7.5	2.3	2.3	**27**
KRA 4	150	163	370	967	657	**2307**
KRA 5	28.6	23.4	23.5	16.1	15.9	**107.5**
KRA 6	72.8	99.4	91.2	111.9	85.2	**460.5**
KRA 7	6.2	11	11.8	507.1	4.4	**540.5**
KRA 8	38	20	20	20	25	**123**
KRA 9	80.57	55.02	44.37	57.95	63.77	**301.68**
KRA 10	39.9	21.3	628.9	334.4	334.4	**1,358.9**
KRA 11	2	5.1	12.3	6.3	5.8	**31.5**
Total	**480**	**539**	**1,330**	**2,145**	**1,292**	**5,786**

The estimated resource gaps for the five years of implementing this Strategic plan is the difference between the estimated budget of Ksh.5.786 billion the SP in Table 7.1 above and the projected allocations through the normal budgetary allocation in the Medium-Term Expenditure Framework (MTEF) cumulating to Ksh. 5.766 billion. The resource gap totals to Ksh. 20 million and is summarized in **table 7.2.**

Table 7.2 Resource Gaps

Financial Year	Estimated financial requirements (in Millions of KSh.)	Estimated allocations (in Millions of KSh.)	Variance (in Millions of KSh.)
Year 1 (2023)	480	874	(394)
Year 2 (2024)	539	1,122	(583)
Year 3 (2025)	1,330	1,187	143
Year 4 (2026)	2,145	1,255	890
Year 5 (2027)	1,292	1,328	(36)
Total	**5,786**	**5,766**	**20**

Resource allocations for the first 3 years are guided by MTEF budget estimated, and the two outer years are projected based on allocation trends.

7.2 Resource Mobilization Strategies

The funding for implementing the activities proposed in this Strategic Plan shall be sought from the Government of Kenya; development partners and private public partnerships (PPP arrangements) where applicable.

Government of Kenya Financing

The State Department plans to demonstrate its central role in the BETA priorities to bid for resources within the General Economic and Commercial Affairs MTEF sector working group. Pursuing enactment of the new Co-operative Societies Act will also be used to boost the appropriations-in-aid (A-in-A) revenue stream. Lastly, the State Department will pursue efficiency measures through digitalization of services to reduce some expenses associated with manual processing of registration.

Public Private Partnerships (PPPs)

The State Department will explore potential areas for PPPs to implement some of the activities proposed in the Strategic Plan.

Development Partners

The State Department is embarking on a process of preparing a resource mobilization strategy which shall entail the engagement strategy of development partners that have shown interest in the co-operative sector. This shall be done in consultation with the desk officers in the Treasury's resource mobilization department to ensure that engagements are conducted within the national resource mobilization policy and guidelines.

7.3 Resource Management

The State Department shall adhere to the mechanisms of efficiency of resources through the guidelines and procedures issued by the National Treasury and regulations of the Public Finance Management Act. Furthermore, strategic approach to aggregation of economic units into co-operatives shall be done by following the lead sectors' value chains activities to identify the ready grounds for aggregation of units.

This shall be done through the recently established ministerial technical committee on value chains that links with the other ministries and actors in identified value chain activities. Other measures of resource management include:

i. Integrating into activities of lead agencies in value chains to reduce cost of mapping and mobilizing economic units for aggregations;

ii. Ensuring adherence to approved budget ceilings and use of government financial management platforms such as the Integrated Financial Management System (IFMIS);

iii. Conducting monitoring and evaluation of financial and non-financial aspects of projects to match resources to project readiness;

iv. Pooling of resources such as transport for officers; printing and photocopy services

CHAPTER 8: MONITORING, EVALUATION AND REPORTING

This chapter provides the details for the frameworks and processes that the State Department will use in undertaking monitoring, evaluation and reporting progress in implementation of activities in the Strategic Plan. The chapter also provides the estimated time intervals for reporting on progress of the Strategy.

8.1 Monitoring Framework

Monitoring of the Strategic Plan will be led by the CPPMD with desk officers appointed from each of the functional departments. The matrix for monitoring the progress of outputs and outcomes shall be prepared by the CPPMD with support of the responsible departments to establish the baseline data of the chosen indicators. The outcome of this matrix shall be validated by the departmental heads who shall also appoint the desk officers in their own departments. This framework shall be hoisted in an online platform with access rights given to the respective desk officers. Oversight/quality assurance of the data provided shall be provided by the CPPMD officers on a continuous basis. The CPPMD officer shall also develop briefs to respective heads of departments on the progress made towards the targets for use in reporting during the schedule HoDs meetings chaired by the Principal Secretary.

8.2 Performance Standards

The monitoring and evaluation process shall be guided by internationally accepted norms and standards, including those issued by the State Department for Economic Planning. The performance measurement in implementation of the Strategic Plan shall include definition of outputs, outcomes and efficiency with their key performance indicators. There are strategic theme teams that have been set up under coordination of the director of the planning department and the process of appointing performance champions has been initiated. The Planning department acts as the central data collection point for all the indicator in the performance matrix.

8.3 Evaluation Framework

The basis for assessing the level of achievement of objectives towards attainment of the Strategic goals along each KRA shall follow the format in table 8.1. The outcome indicators have been selected in consultation with lead departments and are limited to data availability.

Table 8.1: Outcome performance matrix

Key Result Area	Outcome	Outcome indicator	Baseline		Target		Data sources
			Value	Year	Mid-term Period	End of plan	
KRA 1	Up to date co-operatives policy legal and institutional framework	No. of Policies/laws/framework that are up to date	1	2023	1	3	Policy
KRA 2	Aggregated economic units (BETA)	No. of new registered co-operatives	-	2023	996	1,364	Registration
KRA 3	Commodity co-operatives linked to markets (KOMEX)	No of commodity co-operatives linked		2023	16	16	Annual returns and County reports
KRA 4	co-operative infrastructure[3] installed	No. of co-operative infrastructure (installations)	-	2023	18	55	Project Reports
KRA 5	Improved funding to SDC	Number of Development partnership agreements	-	2023	2	4	Office of the PS/ CFO
KRA 6	Increased rate of survival of co-operatives	%	35	2023	45	55	Audit Registration
KRA 7	Improved access to affordable financial services	Savings in (in Ksh. Trillion)	1.047	2023	1.212	1.335	Annual audited accounts
KRA 8	Improved staff performance	Average score of appraised staff (%)	87	2023	95	100	Human Resource Division
KRA 9	Improved staff satisfaction	Average satisfaction score of staff (%)	30	2023	60	100	Administration
KRA 10	Improved SDC services online accessibility	% of services onboarded on e-citizen platform	5	2023	21	37	ICT
KRA 11	Updated co-operatives database	Level of development of the database (%)	5%	2023	60%	100%	Registration/ CPPMD

NB: Evaluation of the Plan shall be undertaken at least mid-term and end-term

8.3.1 Mid-term Evaluation

The mid-term evaluation of the Strategic Plan shall be undertaken in the last quarter of the financial year 2024/25 coinciding with the mid-term of the 5 years of implementation.

8.3.2 End-term Evaluation

The end term evaluation of the Strategic Plan shall be undertaken in the last quarter of the financial year 2026/27 coinciding with the end of the 5 years of implementation. This is just in time for preparation of the 6th generation strategic plans (2028-2032).

8.4 Reporting Framework and Feedback Mechanism

The State Department conducts quarterly monitoring of the activities in the strategic plan, following that of the work plan which is derived from the strategic plan. Reports are prepared and reviewed on quarterly basis at the departmental level before submission to the CPPMD for review and submission to the office of the Principal Secretary. The templates provided in the Annex (tables 8.2, 8.3 and 8.4) shall be adopted for reporting purposes. After submission of the quarterly and annual reports to the office of the Principal Secretary, these are discussed in scheduled management meetings and the decisions are recorded by representative of management of divisions and relayed to responsibility holders. This is to prevent observed deviations from occurring in sub-sequent periods of implementing the Strategic Plan.

The State Department shall present the findings of the Strategic Plan monitoring and evaluation before the several committees already set up to review implementation of the Departments performance. These committees include the performance management; budget implementation; project committee and human resource development committee. This is to ensure that the findings of performance and resolutions are translated into actions, and incorporated in performance standards set up in the other planning and performance delivery frameworks of the State Department.

ANNEX

Table 8.2: Quarterly Progress Reporting Template

Quarter Ending_____

Expected Output	Output Indicator	Annual Target (A)	Quarter of Year_____			Cumulative to Date			Remarks
			Target (B)	Actual (C)	Variance (C-B)	Target (F)	Actual (F)	Variance (F-E)	

Table 8.3: Annual Progress Reporting Template

Annual Progress Report Yr Ending_____

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

Table 8.4: Evaluation Reporting Template

Key Result Area	Outcome	Key Performance Indicator	Baseline		Mid-Term Evaluation		End of plan period evaluation		Remarks
			Value	Year	Target	Achievement	Target	Achievement	