



REPUBLIC OF KENYA



INSURANCE REGULATORY AUTHORITY

STRATEGIC PLAN

2023–2027

Promoting insurance. Protecting the insured



Vision

“An effective regulator of an inclusive and globally competitive insurance industry”

Mission

“To promote development and stability of the insurance industry, and to protect insurance beneficiaries through effective regulation and supervision”.

Core Values

Integrity

Innovative

Accountable

Customer Focus

Teamwork

FOREWORD

The Insurance landscape in Kenya is undergoing significant changes influenced largely by global and local factors. In response, the Insurance Regulatory Authority has continued to implement deliberate interventions that seek to position Kenya as the top insurance market in the region.

To effectively play its role in the realization of its mandate and contribute to the achievement of the Vision 2030, Bottom-up Economic Transformation Agenda (BETA), Fourth Medium Term Plan (2023-2027) and other government strategies and programmes, the Board has developed a Strategic Plan that outlines IRA's Road map for the period 2023 to 2027. This is the fourth Plan since inception of the Authority in 2007.

The Plan seeks to address the emerging issues and priority areas identified under the National Development Policy agenda. It has identified five key result areas; a resilient insurance industry, strengthened institution, stakeholder centricity, transformed insurance market and mainstreamed sustainability practices as crucial in realizing its vision of becoming an effective regulator of an inclusive and globally competitive insurance industry.

Successful implementation of this Plan will require a high level of coordination, dedication and personal drive. The Board will give priority to streamlining operations and availing required resources to facilitate timely delivery of expected outputs. In the spirit of collaboration, the Authority will also identify and enlist the support of strategic partners in implementing some of the strategies as it seeks to realize its goals.

I thank the Board of Directors, Management and Members of Staff of Insurance Regulatory Authority (IRA), other key stakeholders that were involved in the development of this Plan. I also take this opportunity to assure all stakeholders that the Authority is committed to promoting insurance while protecting the insured and that to this end, the Board will provide necessary support and guidance as expected of them.

Mr. Moses Njenga Chege
Board Chairman

PREFACE AND ACKNOWLEDGEMENT

The 2023-2027 Strategic Plan is the fourth cycle plan for the Authority. It outlines the strategic direction of the Authority for the next five years with clear outcomes that allow for building on the achievements realized from the 2018-2022 Plan, lessons learnt, and progress made. It sets out the direction and identifies priorities for the period 2023-2027.

The key result areas identified are Resilient Insurance Industry, Strengthened Institutional Capacity, Customer Centricity, Transformed Insurance Market and Sustainable Insurance Industry. These key areas tell the story of the journey we will walk and the partners we will work with. We purpose to tell our story of success through a set of key performance metrics that will be used to measure the effect and impact of our proposed interventions over the next five-year period.

IRA's role in the national development agenda is premised on the need to ensure a safe, sound and stable insurance market that not only promotes industry competitiveness but also seeks to entrench the rights of policyholders and insurance beneficiaries. I would like to reiterate that we are up to the task and that stimulating industry growth and development, ensuring efficient allocation of resources, management of risk and mobilization of long-term savings continue is our overarching objective. In implementing the Plan, the Authority will leverage government commitment, Board, staff and stakeholder support to ensure that the mandate for which it was established is realized.

On behalf of the Insurance Regulatory Authority, I wish to express my gratitude to all those who participated either directly or indirectly in the preparation of the 2023-2027 Strategic Plan. Specifically, the Board of Directors for providing strategic guidance, support and for actively participating in the development of this Strategic Plan; management and staff who provided the much-needed analysis and drafting of the Plan with support of the Strategic Plan Committee; and, the University of Nairobi Enterprise Services (UNES) Limited team for technical oversight throughout the entire process.

Godfrey K. Kiptum

Commissioner of Insurance & Chief Executive Officer

TABLE OF CONTENTS

FOREWORD	3
PREFACE AND ACKNOWLEDGEMENT	4
LIST OF TABLES.....	7
LIST OF FIGURES.....	8
CONCEPTS AND TERMINOLOGIES	9
ACRONYMS AND ABBREVIATIONS	11
EXECUTIVE SUMMARY	14
CHAPTER ONE: INTRODUCTION.....	1
1.1. Strategy as an Imperative for the Insurance Regulatory Authority Success	1
1.2. The Context of Strategic Planning	1
1.2.1. United Nations 2030 Agenda for Sustainable Development.....	1
1.2.2. African Union Agenda 2063	3
1.2.3. East Africa Community Vision 2050.....	4
1.2.4. Constitution of Kenya	4
1.2.5. National Agenda	6
1.2.5.1. Kenya Vision 2030	6
1.2.5.2. Fourth Medium-Term Plan.....	7
1.2.5.3. Bottom-Up Economic Transformation Agenda.....	8
1.2.6. Sector Policies and Laws	10
1.3. History of the Authority	10
1.4. Methodology of Developing the Strategic Plan	11
CHAPTER TWO: STRATEGIC DIRECTION.....	13
2.1. Mandate	13
2.1.1. Functions of the Authority	13
2.1.2. Objectives of Supervision.....	14
2.2. Vision Statement	14
2.3. Mission Statement.....	14
2.4. Strategic Goals.....	14
2.5. Core Values.....	14
2.6. Quality Policy Statement	15
CHAPTER THREE: SITUATIONAL AND STAKEHOLDER ANALYSES	16
3.1. Situational Analysis	16
3.1.1. External Environment.....	16
3.1.1.1. Macro-environment	16
3.1.1.2. Micro-environment	16
3.1.1.3. Industry Environment.....	16
3.1.1.4. Market Analysis.....	17
3.1.2. Summary of Opportunities and Threats	17
3.1.3. Internal Environment	17
3.1.4. Summary of Strengths and Weaknesses.....	17
3.1.5. Analysis of Past Performance.....	17
3.1.5.1. Key Achievements	17
3.1.5.2. Key Challenges.....	21
3.1.5.3. Lessons Learnt.....	21
3.2. Stakeholder Analysis.....	21
CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS.....	28

4.1.	Strategic Issues	28
4.2.	Strategic Goals.....	28
4.3.	Key Result Areas	28
CHAPTER FIVE: STRATEGIC OBJECTIVE AND STRATEGIES		31
5.1.	Strategic Objectives.....	31
5.2.	Strategic Choices.....	32
CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK.....		34
6.1.	Implementation Plan.....	34
6.1.1.	<i>Action Plan</i>	34
6.1.2.	Annual Workplan and Budget.....	35
6.1.3.	<i>Performance Contracting</i>	35
6.2.	Coordination Framework.....	35
6.2.1.	<i>Institutional Framework</i>	35
6.2.1.1.	<i>Organizational Structure</i>	35
6.2.1.2.	<i>Policies, Rules and Regulations</i>	36
6.2.2.	<i>Staff Establishment, Skills Set and Competence Development</i>	36
6.2.3.	<i>Leadership</i>	37
6.2.4.	<i>Systems and Procedures</i>	37
6.3.	Risk Analysis and Mitigation Measures	37
CHAPTER SEVEN: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES		39
7.1.	<i>Financial Requirements</i>	39
7.2.	Resource Mobilisation Strategies	40
7.3.	Resource Management.....	40
CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK		41
8.1.	Monitoring Framework.....	41
8.2.	Performance Standards	41
8.3.	Evaluation Framework.....	42
8.3.1.	<i>Mid-Term Evaluation</i>	42
8.3.2.	<i>End-Term Evaluation</i>	42
8.4.	Reporting Framework and Feedback Mechanism	42

LIST OF TABLES

Table 1.1: The Authority's Role in SDGs	2
Table 1.2: The Authority's Role in African Union Agenda 2063 Aspirations	3
Table 1.3: The Authority's goals towards realization of EAC Vision 2050	4
Table 1.4: Provisions of Kenyan Constitution relevant to the Authority's mandate	5
Figure 1.1: Conceptual Framework for the Development of the SP	12
Table 3.7: Stakeholder Analysis.....	21
Table 4.1: Strategic Issues, Goals and Key Result Areas.....	30
Table 5.2: Strategic Objectives and strategies.....	32
Figure 6.2: Organizational Structure	36
Table 7.1: Financial Requirements for Implementing the Strategic Plan	39
Table 7.2: Resource Gaps	39

LIST OF FIGURES

Figure 1.1: Conceptual Framework for the Development of the SP	12
Figure 6.1: Organizational Structure	36
Figure 7.1: Resource Requirements V/S Estimated Resource Allocation	Error!

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CONCEPTS AND TERMINOLOGIES

Concept/Terminology	Description
<i>Bimalab</i>	A platform used by insurance innovators to build capacity and develop innovative insurance solutions that address the needs of underserved markets. The insurance innovators are given support in terms of training and the resources they need to develop innovative insurance solutions.
<i>Bimabox</i>	A framework that allows firms to experiment and deploy innovative solutions in a controlled and well-defined regulatory environment for a specified duration.
DRIVE	De-risking, Inclusion and Value Enhancement of pastoral economies (DRIVE) is a World Bank funded project that seeks to strengthen support for pastoralists through access to rapid cash when there is drought, either through their savings or insurance payouts, allowing them to keep their core breeding stock alive.
Green procurement	The process of sourcing goods, services, and works that have a lower environmental impact throughout their lifecycle. This involves considering the environmental, social, and economic impacts of the products or services being procured and making purchasing decisions that promote sustainability.
Inclusive insurance	The provision of insurance services to individuals or groups who are typically excluded from traditional insurance markets due to factors such as income, location, or occupation. This can involve developing insurance products that are affordable, accessible, and relevant to the needs of underserved communities/populations.
Insurance coverage	The extent of protection provided by insurance including the types of risks covered and the amount of compensation available.
Insurance density	The ratio of insurance premium underwritten in a given year to the total population.
Insurance penetration	The contribution of insurance to the economy, calculated as a ratio of total insurance premiums to the country's Gross Domestic Product.
Mutually beneficial collaboration	A partnership or alliance between two or more parties that results in positive outcomes for all parties involved. It involves working together towards a common goal or objective, while also recognizing and respecting the individual needs and interests of each party.
Policy dialogues	Discussions between policymakers, stakeholders, and experts on specific policy issues, with the aim of developing

Concept/Terminology	Description
	and implementing effective policies. In the context of insurance industry, policy dialogues can involve discussions on a wide range of issues related to insurance regulation, market development, and consumer protection.
Sandbox	A controlled environment where innovators can test new products or services without impacting the live market.
Social health insurance	A scheme that is funded and managed by the government, with the aim of providing universal health coverage to citizens.
Sustainable Practices	The adoption of environmentally sustainable and socially responsible practices, such as reducing carbon emissions or investing in socially responsible projects.
Third-party Service Provider	A third-party service provider is any unaffiliated person, company, or entity that performs services for the insurance industry policyholders and insurance beneficiaries and are non-regulated by the Authority.
Treating Customers Fairly (TCF)	An outcome based international standard and best practice approach that seeks to ensure fair treatment of customers. The outcomes are: TCF Culture; Products and Services; Clear and Appropriate Information; Customer Advice; Performance and Expectations; and Claims and Complaints Handling.

ACRONYMS AND ABBREVIATIONS

AGPO	Access to Government Procurement Opportunities
A-I-A	Appropriations in Aid
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
BETA	Bottom-Up Economic Transformation Agenda
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
CSDLS	Corporation Secretary and Director Legal Services
DCI	Directorate of Criminal Investigations
DCS	Director Corporate Services
DIA	Director Internal Audit
DMC	Director Market Conduct
DRIPS	Director Research, Innovation, Policy and Strategy
DRIVE	De-risking, Inclusion and Value Enhancement
DS	Director Supervision
DSII	Domestic Systemically Important Insurers
EAC	East African Community
ESG	Environmental, Social and Governance
FSS	Financial Services Sector
ICPs	Insurance Core Principles
ICT	Information Communication and Technology
IEC	Information, Education Communication
IRA	Insurance Regulatory Authority
ISMS	Information Security Management System
ISO	International Organisation for Standardization
KICD	Kenya Institute of Curriculum Development

KRA	Key Result Area
KSh	Kenyan Shillings
MA	Manager Administration
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MSCM	Manager Supply Chain Management
MSME	Micro, Small and Medium Enterprise
MTPIV	Fourth Medium Term Plan
MTPL	Motor Third Party Liability
PCF	Policyholders Compensation Fund
PESTELE	Political, Economic, Social, Technological, Environmental, Legal and Ethics
PFM	Public Finance Management
PHIs	Private Health Insurers
QMS	Quality Management System
SDGs	Sustainable Development Goals
SMADA	Senior Manager Actuarial and Data Analytics
SMCC	Senior Manager Corporate Communication
SMCE	Senior Manager Consumer Education
SMCP	Senior Manager Consumer Protection
SMHRM	Senior Manager Human Resource Management
SMI	Senior Manager Intermediaries
SMICT	Senior Manager Information Communication and Technology
SML&E	Senior Manager Licensing and Enforcement
SMLS	Senior Manager Legal Services
SMPS	Senior Manager Prudential Supervision
SMP&S	Senior Manager Policy and Strategy

SMR&I	Senior Manager Research and Innovation
SMSCM	Senior Manager Supply Chain Management
SOPs	Standard Operating Procedures
SWOT	Strengths, Weaknesses, Opportunities and Threats
UFAA	Unclaimed Financial Assets Authority
UHC	Universal Health Coverage

EXECUTIVE SUMMARY

The Authority has developed the 2023-2027 Strategic Plan in line with the revised guidelines for Preparation of Fifth-Generation Strategic Plans by Government Agencies. The guidelines were issued on July 3, 2023 by the National Treasury and Economic Planning- State Department for Economic Planning. The plan is set out in eight chapters.

Chapter One provides the context for the Strategic Plan which includes United Nations 2030 Agenda for Sustainable Development, African Union Agenda 2063, East African Community Vision 2050 and the Constitution of Kenya. The chapter provides a brief background and history of the Authority, how it has evolved over time, its role in the national development agenda as set out in the Kenya Vision 2030 and Fourth Medium Term Plan (MTPIV), the draft National Insurance Policy and the Bottom-Up Economic Transformation Agenda (BETA). The chapter also outlines the methodology of development of the Strategic Plan.

Chapter Two provides the strategic direction and covers the mandate, vision, mission, core values, strategic goals and quality policy statement. Five (5) strategic goals are identified as follows:

- a) Protected policyholders and insurance beneficiaries;
- b) Delivery of efficient and quality service;
- c) Improved customer satisfaction;
- d) Enhanced inclusive insurance; and
- e) Align with the sustainability agenda.

Chapter Three sets out the situational and stakeholder analysis. In analysis of the external environment, focus is on the macro-environment, micro-environment, industry environment, market analysis and opportunities and threats. The chapter also analyses the internal environment which includes governance and administrative structures, internal business processes, resources and capabilities and strengths and weaknesses. The chapter further analyses the Authority's past performance and sets out key achievements, challenges and lessons learnt from the implementation of the 2018-2022 strategic plan. The chapter concludes with a stakeholder analysis with a focus on the role of the key stakeholders, their expectations and the Authority's expectations from stakeholders.

Chapter Four provides the strategic issues, strategic goals and key result areas. Five (5) Key Result Areas (KRAs) identified are as follows: resilient insurance industry, strengthened institutional capacity, customer centricity, transformed insurance market and sustainable insurance industry.

Chapter Five provides strategic objectives and strategic choices for the Authority. A total of eleven (11) strategic objectives were identified for the IRA SP 2023-2027 anchored on the KRA's are as follows:

- a) Promote a fair, safe and stable insurance industry.
- b) Protect policyholders and insurance beneficiaries.
- c) Repositioning for timely delivery of efficient and quality services.
- d) Continual institutional capacity building.
- e) Enhance customer experience.
- f) Improve stakeholder involvement.
- g) Promote Bottom-Up Economic Transformation Agenda.
- h) Promote inclusive insurance.
- i) Promote ethics and professional conduct.
- j) Institutionalize sustainability practices in the Authority.
- k) Promote sustainability practices in the insurance industry

Chapter Six outlines the implementation plan and covers action plan, annual workplan and budget and performance contracting arrangements. The chapter also outlines the coordination framework for the implementation of the strategic plan which includes; the institutional framework, staff establishment, skills set and competence development, leadership arrangements, systems, and procedures. Lastly the chapter concludes with an analysis of the key risks and mitigation measures relating to the implementation of the strategic plan.

Chapter Seven outlines the resource requirements for implementation of the activities for each strategy on an annual basis, sets out financial resource requirements, resource gaps, resource mobilization and management strategies.

Chapter Eight outlines the monitoring, evaluation and reporting framework including the monitoring framework, performance standards, evaluation framework which sets out the key outcomes expected from implementing the strategic plan as well as midterm and end term targets. It then sets out the reporting framework and feedback mechanisms from implementation of the strategic plan.

CHAPTER ONE: INTRODUCTION

1.1. Strategy as an Imperative for the Insurance Regulatory Authority Success

Insurance plays a critical role in socio economic development by facilitating risk transfer and savings to ensure business continuity for economic and social development. It safeguards individuals, families, communities and businesses by providing financial protection, promoting risk management and social safety nets. It reduces vulnerability, supports sustainable development and fosters inclusive and prosperous society.

Insurance regulation in Kenya is governed by the Insurance Act CAP 487 of the Laws of Kenya that was enacted in 1984 and came into effect in 1987. The Insurance Regulatory Authority was established in 2007 via amendment of the Insurance Act with the mandate to regulate, supervise, and promote development of the insurance industry in Kenya. The insurance industry in Kenya is regulated by the Authority. To effectively execute its mandate and contribute to national development as set out in various policy priorities, the Authority recognizes the volatile, complex, and dynamic nature of its operating environment.

In developing the strategic plan, the Authority has considered various factors in its operating environment and will in the plan period focus on ensuring its responsiveness to the changing environment, dynamic customer needs and expectations, usage and access to insurance services, and adoption of sustainability practices. This plan will enable the Authority to be an effective regulator of an inclusive and globally competitive insurance industry.

1.2. The Context of Strategic Planning

The context for development of this strategic plan considered various development frameworks at the global, continental, regional and national level as set out below.

1.2.1. United Nations 2030 Agenda for Sustainable Development

The United Nations 2030 Agenda provides a shared blueprint for Sustainable Development people and the planet, now and into the future. The Authority has a critical role to play in advancing Sustainable Development Goals (SDGs) relevant to its mandate and will during the plan period focus on monitoring of eleven goals as set out in **table 1.1**.

Table 1.1: The Authority's Role in SDGs

S/No.	SDG Description	Strategic Response by the Authority
1.	SDG 1: No Poverty	Reaching the underserved at the bottom of the pyramid through promoting interventions on agriculture, livestock, micro and social insurance.
2.	SDG 2: Zero Hunger	Create an enabling environment that promotes agriculture insurance.
3.	SDG 3: Good Health and Well-being	Develop and implement interventions that will support enhance the role of insurance in the Universal Health Coverage plan.
4.	SDG 4: Quality Education	Promote financial literacy through partnerships with educational institutions including Kenya Institute of Curriculum Development (KICD) and engaging with school clubs and tertiary institutions to incorporate insurance in national curricula and educational programs.
5.	SDG 5: Gender Equality	Continue to promote gender equality through implementing existing gender mainstreaming policies within the Authority. The Authority will also continue to support product development that considers inclusivity of all genders.
6.	SGG 8: Decent Work and Economic Growth	Promote creation of decent jobs and employment through market development policies, offering of sponsorships and capacity building in the insurance industry.
7.	SGD9: Industry, Innovation, and Infrastructure	Promote research, innovation and digital transformation through promoting development of inclusive insurance products, collaborating and partnership with value chain actors in the insurance industry, digitize, automate and facilitate online access to its services.
8.	SDG11: Sustainable Cities and Communities	Promote implementation of integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and development of disaster risk management frameworks.
9.	SDG13: Climate Action	Provide guidance and lead the insurance industry in pursuing Environmental Social Governance initiatives, adopt and build capacity on climate change mitigation, adaptation and impact reduction initiatives and signing of the Nairobi declaration on sustainable development.

S/No.	SDG Description	Strategic Response by the Authority
10.	SDG 15: Life on Land	Prioritize and leverage the potential of Agriculture insurance to drive sustainable growth and resilience.
11.	SDG 17: Partnerships for the Goals	Support partnerships and collaborations, strategic alliances to ensure enhanced capacity building, adoption of the highest standards of insurance supervision and adoption of best practices.

1.2.2.African Union Agenda 2063

Agenda 2063 is a shared framework for inclusive growth and sustainable development for Africa to be realized by 2063. It recognizes the global context is changing and builds on previous experiences to accelerate implementation of past and existing continental initiatives to spur growth and investment opportunities for sustainable development. The Authority will during the plan period monitor its contribution to aspirations outlined in **table 1.2**.

Table 1.2: The Authority's Role in African Union Agenda 2063 Aspirations

S/No.	Aspiration Description	Strategic Response by the Authority
1.	Aspiration No.1: prosperous Africa based on inclusive growth and sustainable development	This will be achieved through; reaching to the underserved in the bottom of the pyramid; empowering communities by providing them with easy access to insurance solution; driving innovation and digital transformation; and, strengthening financial stability for MSMEs.
2.	Aspiration No.5: An Africa with a strong cultural identity, common heritage, values and ethics	Promote ethics and professional conduct in the Insurance industry for sustainable development.
3.	Aspiration No.6: An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children	Establish and promote workplace equity and equality practices by continuously investing in enhancing staff competency and skill sets, establishing mechanisms for participation of women, youth, Persons Living with Disabilities, the marginalized and the minority.

S/No.	Aspiration Description	Strategic Response by the Authority
4.	Aspiration No.7: Africa as a strong, united, resilient, and influential global player and partner	This will be achieved through; a robust and well-regulated insurance industry that not only enhances Africa's standing on the global stage but also positions the continent as a dependable and influential global partner; and, through global alliances and active participation in the standards.

1.2.3. East Africa Community Vision 2050

The East African Community (EAC) Vision 2050 closely follows on the Africa Union Agenda 2063 and builds on visions of individual members countries. It is a long-term development blueprint that identifies policy triggers/measures and instruments for spurring regional growth. The Authority will during the plan period monitor its contribution to the goal set out in **table 1.3**.

Table 1.3: The Authority's goals towards realization of EAC Vision 2050

S/No.	Description	Strategic Response by the Authority
1.	Goal No. 2: Increased investment and enhanced agricultural productivity for food security and a transformation of the rural economy.	This will be achieved by; enhancing rural financial inclusion and ensuring that insurance products are accessible and affordable for rural communities plus fostering collaborations with various stakeholders to create an enabling environment for increased agricultural investment.

1.2.4. Constitution of Kenya

The Constitution of Kenya 2010 identifies insurance as a national function under the Fourth Schedule. The Authority being a state organ will in implementing this Strategic Plan adhere to and be guided by the constitutional principles set out in the Constitution.

Table 1.4 highlights some constitutional provisions relevant to the Authority's mandate and how the strategic plan can help implement these provisions.

Table 1.4: Provisions of Kenyan Constitution relevant to the Authority's mandate

S/No	Article	Description	Strategic Response by the Authority
1.	Article 10: National Values and Principles of Governance	National values and principles of governance.	Adhere to the national values and principles of governance.
2.	Article 35: Access to information	Right of access to information.	Publish and publicise industry information in line with the provision of this article.
3.	Article 40: Protection of Right to Property	Fundamental right to own property.	Place a strong emphasis on safeguarding the rights of policyholders and protecting their assets.
4.	Article 43: Economic and Social Rights	Economic and social rights, such as the right to accessible and adequate housing, sanitation, freedom from hunger, healthcare, and education etc.	Promote development of insurance products that are in harmony with the principles outlined in Article 43.
5.	Article 46: Consumer Rights	Rights of consumers to goods and services of reasonable quality, the right to information, to the protection of their health, safety, and economic interests, to compensation for loss or injury arising from defects in goods or services etc.	Prioritize consumer protection by enforcing transparency, fair practices, and the provision of clear information in insurance transactions. This ensures that consumers' economic interests are safeguarded.
6.	Article 47: Fair Administrative Action	Right to administrative action that is expeditious, efficient, lawful, reasonable and procedurally fair.	Ensure that fair administrative processes are entrenched in executing its mandate.

S/No	Article	Description	Strategic Response by the Authority
7.	Article 53, 54, 55, 56 and 57: Rights to certain groups of persons	Children, persons with disabilities, youth, minorities and marginalised groups and older members of the society	Promote financial literacy incorporating insurance in national curriculum, consumer education and development of appropriate products and for ease of access by all. In addition, the Authority will provide equal access to employment and procurement opportunities.
8.	Article 227: Procurement of public goods and services	Procurement of public goods and services.	Adhere to a system that is fair, equitable, transparent, competitive and cost effective in all its procurement processes.
9.	Article 232: Values and Principles of Public Service:	Values and principles that underpin public service i.e., integrity, transparency, and accountability.	Uphold these values and principles of public service as stipulated in the Article.

1.2.5. National Agenda

The Authority has aligned the strategic plan to the Kenya Vision 2030, the Fourth Medium Term Plan, the Bottom-Up Economic Transformation Agenda (BETA), draft National Insurance Policy and other relevant sector policies and laws as highlighted in the next sub-sections.

1.2.5.1. Kenya Vision 2030

Kenya Vision 2030 is a development blueprint aimed at transforming Kenya into a middle-income, industrialized country providing a high quality of life to its citizens by the year 2030. The Vision is anchored on three key pillars namely economic, social and political.

Insurance is classified under the financial services sector whose vision is to create a vibrant and globally competitive financial sector that will create jobs and promote high level of savings to finance Kenya's overall investment needs. As the economy expands and disposable incomes rise, growth in insurable assets and

services is expected to generate demand for insurance services. The Authority's contribution to Vision 2030 will thus be as follows:

- a) Improve the prosperity of all Kenyans by contributing to achievement of an annual Gross Domestic Product (GDP) growth of 10%. This will be realized through providing a safety net for businesses and individuals against unforeseen risks. And by ensuring a well-functioning insurance industry, this will enable insurance to be repositioned on a growth trajectory that guarantees mobilization of sufficient resources to promote savings and support long term development financing.
- b) The Authority will foster social stability and resilience by supervising and promoting development of the insurance industry. This will promote inclusivity and contribute to the attainment of improvements in the quality of life and living standards of Kenyans amongst other aspects under the Social Pillar. Further, the Authority aims to promote sustainability practices in the insurance.
- c) The Authority under the Political Pillar will endeavour to strengthen institutional capacity and enhance customer centricity to improve on service delivery. Accountability on utilisation of public resources remains a core value of the Authority. Enhanced ethics and professionalism in the insurance industry enhances accountability to consumers of insurance services and the general public.

1.2.5.2. Fourth Medium-Term Plan

The Fourth Medium Term Plan is anchored on three fundamental dimensions of access, efficiency and stability. A number of priority areas have been identified in which insurance has a role to play and will be realised in the following ways:

- a) The Nairobi International Financial Centre aims at attracting private sector capital and investments. The Authority's supervisory role ensures the stability and reliability of insurance services, a crucial element for investor confidence. A well-regulated insurance sector fosters trust among investors and businesses, thereby supporting the objectives of the Centre.
- b) The Authority aims to collaborate with other financial regulators to create a harmonized regulatory environment in the digital financial ecosystem. This collaborative effort ensures that insurance services are seamlessly integrated into the broader digital financial services infrastructure.

- c) The Kenya Credit Guarantee Scheme seeks to provide affordable credit to Micro, Small, and Medium-sized Enterprises (MSMEs). The Authority's supervisory role in promoting sound financial practices within the insurance industry indirectly supports the success of the Kenya Credit Guarantee Scheme. A stable insurance sector is essential for the scheme's ability to provide affordable credit to MSMEs.
- d) Promotion of financial inclusion within the insurance industry supports the goal of deepening financial inclusion through promoting initiatives that support development of agriculture, livestock and social insurance. These efforts will ensure that underserved segments, such as smallholder farmers and rural communities, have access to insurance products and services that meets their needs.
- e) In the context of coordinating and developing of green financing, the Authority will promote the adoption of sustainability and green insurance practices.

1.2.5.3. Bottom-Up Economic Transformation Agenda

The Government has set out the Plan that is geared towards driving economic turnaround and inclusive growth under the Bottom-Up Economic Transformation Agenda. The Agenda comprises of five key economic deliverables that have the greatest impact and linkages in the economy and household welfare. These are Agriculture, MSME Economy, Housing and Settlement, Healthcare, Digital Superhighway and Creative Economy.

Several priority areas have been identified to demonstrate the Authority's commitment to playing a critical role in supporting the national development agenda as follows:

- a) Embedding diversity, inclusion, equity, quality and financial health for consumers of insurance services in the priority programs to be implemented by the Authority during this plan period. The aim is to drive tangible outcomes for households and enterprises that are at the bottom of the pyramid and across income groups, occupation, geographical location and risk profile.
- b) Implementation of policy reforms outlined in the National Insurance Policy once finalized by the National Treasury. The policy provides for a vibrant insurance industry anchored on fairness, safety, customer centricity, competitiveness, and stability.

- c) Undertaking legal and regulatory reforms to support design and delivery of insurance products and services to reach a larger population of the underserved and excluded segments of society. These includes farmers, pastoralists, and other stakeholders in the value chain for agriculture and livestock insurance including fisheries, aquaculture and the blue economy. The Authority will support on going government initiatives under the regional DRIVE project as well as interventions by the Ministry of Agriculture and Livestock for farmers and pastoralists. Expanding into underserved or emerging markets presents significant growth opportunities, especially in regions with increasing disposable income and a growing middle class.
- d) Promoting development of social insurance schemes within the broader context of healthcare financing reforms being undertaken by the Government towards delivery on the universal health coverage model. This is to be realised through strengthening the role of Private Health Insurers (PHIs) in universal health coverage.
- e) Addressing issues of low insurance awareness by integrating targeted interventions for consumer education. This is to be realized through:
 - i) Conducting community-specific outreach programs in rural areas to explain the importance of insurance in simple, relatable terms, using local languages and culturally relevant examples.
 - ii) Organizing workshops and demonstrations that illustrate how insurance works and how it can mitigate risks associated with agricultural and livestock activities, health emergencies, and natural disasters.
 - iii) Sharing success stories and testimonials from other rural women who have benefited from insurance, highlighting how it has helped them overcome financial hardships and secure their families' well-being.
 - iv) Providing personalized, door-to-door assistance to help rural women understand insurance policies, complete paperwork, and navigate the process, thereby making it more accessible.
 - v) Supporting clubs in schools, skits and plays, content creators and creatives, and corporate social responsibility.
- f) Encouraging design and delivery of insurance products with an incentive structure that promotes life insurance coverage. This will be backed by appropriate investment vehicles under long term insurance that can raise sufficient resources to fund large national projects such as affordable

housing, blue economy, infrastructure development and Special Economic Zones (“SEZ”).

- g) Promote digitalization by supporting introduction of more simple, easy to understand and innovative solutions to cater for the diverse protection needs of consumers by guiding on regulatory compliance and risk management through the *Bimabox* and *Bimalab*. This will foster greater efficiency, transparency, and convenience for both insurers and policyholders. Further creating user-friendly online platforms and tools to simplify the process of understanding, purchasing, and managing insurance, catering to the digital preferences of consumers.
- h) Building capacity for skills, training and research in the insurance industry through scholarships and partnerships with universities, learning institutions and professional bodies.

1.2.6. Sector Policies and Laws

Insurance is a regulated business in Kenya and the principal law governing insurance business is the Insurance Act Cap 487 of the Laws of Kenya. A draft National Insurance Policy is in place and its implementation is aimed at creating a vibrant and competitive financial sector through development of a fair, safe, customer centric competitive and stable insurance industry.

The Authority will during implementation of the strategic plan integrate other sector policies and laws, international treaties and conventions that have an impact on the insurance industry.

1.3. History of the Authority

Insurance business in Kenya dates to the colonial period and was dominated by branch offices of foreign companies particularly from the United Kingdom and India. Control of the business relied on the United Kingdom Legislation. The need for domesticated mechanisms for regulation and supervision of the insurance industry gained traction during the post-independence period.

Through technical support from the United Nations Conference for Trade and Development (UNCTAD), the Government of Kenya initiated the process of drafting a law to regulate the insurance industry in Kenya commenced in 1980s. This culminated to the enactment of the Insurance Act CAP 487 of the Laws of Kenya in 1984 that was operationalization in 1987.

Therefore, the Insurance Act CAP 487 established the Office of the Commissioner of Insurance to regulate and supervise the insurance industry in 1987. The office was as a Department in the Ministry of Finance.

The Department was charged with the responsibility of ensuring a safe and sound insurance sector. The key focus was to protect the interests of policyholders and insurance beneficiaries. The Department was also charged with the duty of advising the government on policy matters regarding insurance.

The Insurance (Amendment) Act of 2006 created the Insurance Regulatory Authority (IRA) as a corporate body to take up the role of regulating the insurance industry from the Department of Insurance. The Authority became operational from 1st May, 2007. The mandate of the Authority is to regulate, supervise and develop the insurance sector in Kenya.

The Authority is governed by a Board of Directors which is vested with the fiduciary responsibility overseeing operations of the Authority and ensuring that they are consistent with provisions of the Insurance Act.

The Authority has promoted a conducive business environment for growth in the insurance industry and is responsible for the maintenance of the safe, fair and stable insurance industry. This ensures that the market is competitive, and the policyholders are well protected. The Authority is a customer-focused organization and prides itself in its service delivery to ensure high level of customer satisfaction. This has been through the enforcement of the provisions of Insurance Act.

1.4. Methodology of Developing the Strategic Plan

The development of the strategic plan aimed at identifying, prioritizing, sequencing and time bound medium-term interventions that will enable the Authority to achieve its mandate.

The Board of Directors having the overall responsibility for the strategic direction of the Authority, gave an approval to Management to initiate the development process.

The Management then appointed a technical committee comprising of eight (8) IRA Staff and supported by a consultant, University of Nairobi Enterprises and Services (UNES) Limited.

The Committee was given clear Terms of References (ToRs) for the development of the strategic plan aimed at mapping to the Kenya Vision 2030, the Fourth

Medium Term Plan (MTPIV), Bottom-Up Economic Transformation Agenda (BETA) and other enabling legislation, policies, circulars and guidelines issued by Government from time to time.

A five steps approach was adopted for the development strategic plan as highlighted in **figure 1.1**.

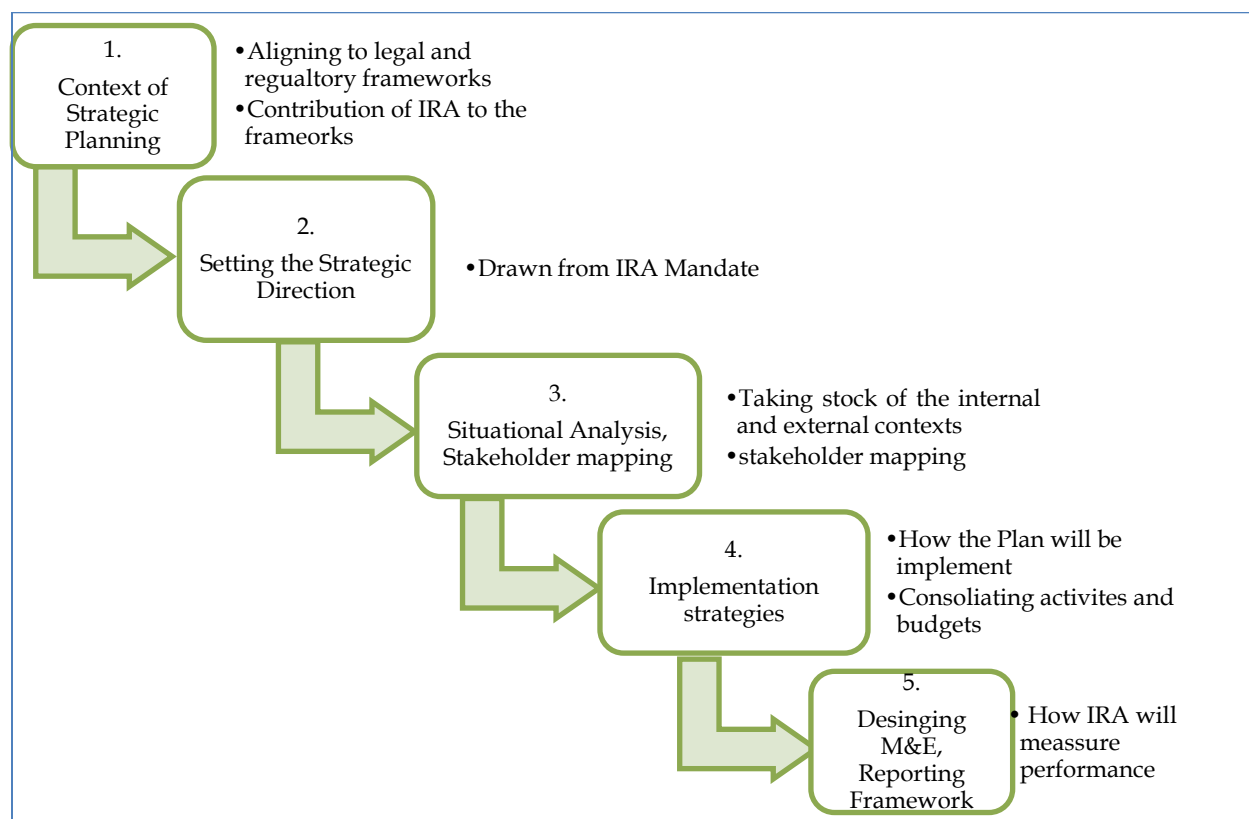


Figure 1.1: Conceptual Framework for the Development of the SP

The draft strategic plan will then be subjected to validation by internal and external stakeholders. The validated draft strategic plan shall be submitted to the State Department for Economic Planning for review and feedback to inform finalization of the Plan. The approved strategic plan shall be finalized and publicized in readiness for implementation.

CHAPTER TWO: STRATEGIC DIRECTION

This chapter presents the strategic direction and covers the mandate, functions of the Authority and objectives of supervision. The chapter also outlines the Authority's Vision, Mission, Core Values and Quality Policy Statement.

2.1. Mandate

The Authority's mandate is to regulate, supervise and promote the development of the insurance industry in Kenya. The objects and functions are set out in section 3A of the Insurance Act, CAP 487.

2.1.1. *Functions of the Authority*

- a) Ensure the effective administration, supervision, regulation and control of insurance and reinsurance business in Kenya.
- b) Formulate and enforce standards for the conduct of insurance and reinsurance business in Kenya.
- c) License all persons involved in or connected with insurance business, including insurance and reinsurance companies, insurance and reinsurance intermediaries, loss adjusters and assessors, risk surveyors and valuers.
- d) Advise the Government on the national policy to be followed in order to ensure adequate insurance protection and security for national assets and national properties.
- e) Issue supervisory guidelines and prudential standards from time to time, for the better administration of the insurance business of persons licensed under the Insurance Act.
- f) Conduct inquiries and share information with other regulatory authorities and to carry out any other related activities in furtherance of its supervisory role.
- g) Educate the public regularly on the right to independently select an underwriter or broker from a list of underwriters or brokers licensed by the Authority.
- h) Regulate the business of bancassurance offered by banks in the same manner as the ordinary insurance business, including capital requirements and disclosures; and

- i) Undertake such other functions as may be conferred by the Insurance Act or any other written law.

2.1.2. Objectives of Supervision

In line with Section 3A (2) of the Insurance Act and for better clarity, the objectives of supervision are to: -

- a) promote the maintenance of a fair, safe and stable insurance sector.
- b) protect the interest of the insurance policyholders and beneficiaries.
- c) promote the development of the insurance sector.

2.2. Vision Statement

“An effective regulator of an inclusive and globally competitive insurance industry”

2.3. Mission Statement

“To promote development and stability of the insurance industry, and to protect insurance beneficiaries through effective regulation and supervision”.

2.4. Strategic Goals

- a) Protected policyholders and insurance beneficiaries.
- b) Delivery of efficient and quality service.
- c) Improved customer satisfaction.
- d) Enhanced inclusive insurance.
- e) Align with the sustainability agenda.

2.5. Core Values

To effectively execute the mandate, the Authority is to be guided by standards of behaviour:

- a) Integrity:** Act with honesty, fairness, professionalism and treat stakeholders with respect.
- b) Innovative:** Generate and adopt creative ideas to meet stakeholders’ changing needs and be effective in creating added value.
- c) Accountable:** Conduct business transparently while exercising prudence in use of public resources.

- d) Customer Focus:** Achieve the highest levels of satisfaction for both internal and external customers through continuous improvement in the conduct of business.
- e) Teamwork:** Work collaboratively and co-operatively to enhance attainment of individual and corporate goals.

2.6. Quality Policy Statement

The Authority is committed to effectively regulate, supervise and promote the development of the insurance industry in Kenya and ensure the interests of policyholders and insurance beneficiaries are protected by:

- a) Meeting and exceeding the expectations of our customers and stakeholders;
- b) Meeting the requirements of ISO 9001:2015 and continually improving the suitability, adequacy and effectiveness of the quality management system; and
- c) Establishing, implementing and reviewing the quality objectives regularly.

CHAPTER THREE: SITUATIONAL AND STAKEHOLDER ANALYSES

This chapter outlines situational and stakeholder analyses. These analyses provide a basis for development of the adopted strategies.

3.1. Situational Analysis

The environmental analysis presents a view of both external and internal review using a combination of the PESTELE and SWOT analysis. An assessment of the past period's performance is also included.

3.1.1. External Environment

The insurance industry supports economic development through its forward and backward linkages with other sectors in the economy. Developments in the external environment determine opportunities and threats. Scanning, monitoring, forecasting, and assessing these developments influences the choices that the Authority makes.

3.1.1.1. Macro-environment

The macro-environment factors that impact the Authority are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.1.2. Micro-environment

The micro-environment factors in the operating environment that affect access to resources and that are necessary for the achievement of the strategic objectives are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.1.3. Industry Environment

The analysis of the industry environment took into consideration the degree of competition in the industry, the dominant economic features of the industry, the drivers of change in the industry, and the key success factors in the industry are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.1.4. Market Analysis

The Authority's customers, location, customers' needs and preferences, segmentation and any unserved segments have been analysed and are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.2. Summary of Opportunities and Threats

The summary of opportunities and threats are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.3. Internal Environment

In carrying out internal environment analysis, the Authority considered governance and administrative structures, internal business processes, resources and capabilities to determine their relative contribution to its overall performance.

3.1.4. Summary of Strengths and Weaknesses

The summary of strengths and weaknesses are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

3.1.5. Analysis of Past Performance

This section provides a description of the achievements, challenges and lessons learnt during the previous strategic plan cycle.

3.1.5.1. Key Achievements

During the previous plan cycle, the Authority had four KRAs, namely: Regulation and Supervision; Policy and Market Development; Market Conduct and Consumer Protection; and Institutional Capacity. The key achievements realized under each KRA during the plan are as follows:

3.1.5.1.1. Regulation and Supervision

The KRA aimed at putting measures in place to ensure a safe, fair, competitive and stable insurance industry. The achievements were:

- a) Enhanced the regulatory framework: The Authority was able to execute its mandate more effectively following enhancement of the regulatory framework as follows:

- i) Incorporation of Section 204A empowered the Commissioner of Insurance to settle any disputes relating to provision of insurance services and his determination binds all parties to the dispute thus improving the Authority's dispute resolution experience.
- ii) Section 204B defines and outlines the components of insurance fraud which was initially prosecuted under the Penal Code. This enactment has provided more clarity on the typologies of insurance fraud and consequently improved efficiency in the investigation and prosecution process.
- iii) Section 2 of the Act was amended to redefine a 'broker' to include foreign reinsurance brokers and medical insurance providers. This brings these entities within the Authority's regulatory and supervisory purview thus enhancing the protection accorded to insurance consumers.
- iv) Introduction of Section 21A now enables insurers to operate long-term insurance business as "closed funds" as a result of which all unpaid or undischarged policies placed under a closed fund by an insurer shall be regulated under the Insurance Act thus enhancing the protection of policyholders' interests.
- v) The Insurance (Motor Vehicles Third Party Risks) (Certificate of Insurance) Rules were amended under Rule 3 in 2022 to provide clarification that motorcycles (*boda bodas*) and three-wheelers (*tuk tuks*) used by fare paying passengers must obtain third party insurance cover and display the certificate of insurance. This amendment ensures that all persons operating *boda bodas* and *tuk tuks* take third party insurance cover and that fare paying passengers are covered by an insurer in the event of an accident.
- vi) The Insurance (Anti-Money Laundering and Combating Financing of Terrorism) Guidelines, the Insurance (Bancassurance) Regulations, the Insurance (Group-Wide Supervision) Regulations, and the Insurance (Microinsurance) Regulations were all published in February 2020 thus bolstering the Authority's supervisory toolkit.
- vii) The following Statutory Instruments were also reviewed to bring them up to mark with the current legal and practice requirements: Insurance (Suitability of Key Persons) Regulations, Reinsurance Arrangement Guidelines, Claims Management Guidelines, Corporate Governance Guidelines, External Auditors and Appointed Actuaries Guidelines,

Products Guidelines, Market Conduct Guidelines, and Risk Management and Control Function Guidelines.

b) Enhanced competitiveness and stability of the industry through:

- i) Development of staff capacity on macro-prudential surveillance.
- ii) Development of framework for Domestic Systemically Important Insurers (DSII). A policy to operationalize the framework will be developed during the 2023 -2027 plan period.
- iii) Analysis and disclosure of insurance industry performance information. Quarterly claims statistics reports, quarterly industry financial reports and annual performance industry reports were done and published on the Authority's website.

3.1.5.1.2. Policy and Market Development

The KRA focused on putting measures in place to promote inclusion and enhance access to insurance. The key achievements were:

- a) Initiated programmes to support innovation in the insurance industry. With support from partners, the Authority implemented *Bimalab* Accelerator programmes in which successful participants' ideas received incubation support.
- b) Developed the National Insurance Policy which is under finalization.
- c) Developed National Agriculture Insurance Policy which is under finalization by the Ministry of Agriculture and Livestock Development.
- d) Implemented a surveillance framework for the insurance industry through SupTech that enabled supervision of insurance companies to be done both virtually and on-site.
- e) Carried out policy studies namely:
 - i) Strengthening the Role of Private Health Insurers to achieving Universal Health Coverage (UHC) in Kenya: The study aimed at identifying bottlenecks to PHIs growth and sustainability in Kenya and examining the roles and opportunities that PHIs will play in Kenya's health financing. The study made various policy recommendations that are under consideration.
 - ii) Review of Relevant Legislation for Infrastructure Finance and Long-term Investment for Insurance Sector Theme: Infrastructure Financing: The assessment of the regulatory and supervisory

framework of insurance in Kenya was carried out with a view to improve the infrastructure financing by insurance companies. The study established that there was no need to amend the law to enable the industry to participate in infrastructure financing.

- iii) Review of the Motor Third Party Liability Market (MTPL) in Kenya: The study assessed the current market conditions and trends, the legal framework and related issues and comparison with approaches in other countries. Various policy recommendations were derived from the study findings and are under consideration.

3.1.5.1.3. Market Conduct and Consumer Protection

The KRA aimed at enhancing fair treatment of insurance consumers and that insurance consumers have desired information to enable them to make informed decisions on insurance matters. The key achievements were:

- a) Enhanced Consumer Education and corporate initiatives that saw the Authority sensitize a total of 2,812 stakeholders (focus groups, traffic police officers, procurement officers, youth, boda-boda operators, Kenya National Union of Teachers members and cooperatives society members) and members of the public through various media. In addition, the Consumer Education strategy for the period 2022–2027 was developed.
- b) Insurance awareness increased from 69% in 2018 to 82% in 2022.
- c) Insurance coverage (lives/population) increased from 8.2% in 2018 to 27.3% in 2021.
- d) Insurance density increased from KSh. 5,412 in 2018 to KSh. 5,451 in 2021.

3.1.5.1.4. Institutional Capacity

This KRA aimed at enhancing staff capacity and institutional infrastructure to offer quality services to citizens effectively and efficiently. The key achievements were:

- a) Revised the organizational structure and human resource instruments to enhance human resource capacity.
- b) Enhanced ICT infrastructure and work environment.
- c) Recertified in 2021 under ISO 9001:2015 on Quality Management System.
- d) Developed Standard Operating Procedures for key processes.
- e) Revised citizen's service delivery charter and implemented quarterly audits.

3.1.5.2. Key Challenges

During the previous plan period, various factors affected achievement of set targets as planned. The factors include:

- a) Reliance on partially automated and digitized services that is not in pace with the increasing need for use of complex technology by the insurance industry.
- b) Sub-optimal human resource capacity.
- c) Declining consumer purchasing power affecting insurance uptake.
- d) Litigious society.
- e) Delays in conclusion of insurance related cases.

3.1.5.3. Lessons Learnt

The following are the lessons learnt. The need to:

- a) Evolve with current trends and keep pace with the changing regulatory agenda.
- b) Adopt appropriate technology and innovation to improve service delivery efficiency.
- c) Undertake stakeholder alignment and engagement centred on value creation.
- d) Adopt big data analytics.
- e) Enhance market conduct supervision to improve consumer outcomes.
- f) Diversify skills base and increase human capacity; and
- g) Develop effective mechanisms for monitoring, evaluation, learning and reporting to address concerns on output and outcome measures.

3.2. Stakeholder Analysis

The Authority requires goodwill, support, and cooperation from various stakeholders who have interests in the Authority. The results of the stakeholder analysis are outlined in the **table**.

Table 3.7: Stakeholder Analysis

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
1.	The National Treasury and	Policy development and	• Advise the government on insurance matters.	• Timely approvals of requests. • Policy guidance and

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
	Economic Planning	oversight	<ul style="list-style-type: none"> • Prudent utilization of public resources. • Market responsive interventions. • Comply with relevant Government regulations, circulars and guidelines. • A safe, fair and stable insurance industry. 	<ul style="list-style-type: none"> • support. • Approval for adequate financing budget. • Enabling policy, legal, regulatory and institutional framework.
2.	Policyholders, beneficiaries and general public	Purchase insurance and share information.	<ul style="list-style-type: none"> • Ensure timely payment of claims. • Fair customer treatment. • Consumer protection. • Suitability of products & services. • Accurate and timely sharing of information. • Enable employment opportunities within the industry. 	<ul style="list-style-type: none"> • Know their rights and obligations. • Increase use of insurance products/services. • Understand the terms and conditions of the relevant insurance policies. • Share information with the Authority.
3.	Regulated entities	Offer appropriate products, services and share information.	<ul style="list-style-type: none"> • Oversight of the Industry. • Accurate and timely information. • Engagement on changes in policies, laws and regulations. • Promote professionalism. • Improved experience and timely service. • Conducive operating environment. • Robust ICT infrastructure. 	<ul style="list-style-type: none"> • Timely settlement of claims. • Statutory compliance. • Fair treatment of consumers. • Adhere to reporting standards and requirements. • Ethical and professional business practices. • Fair business practices. • Innovative initiatives. • Prudent management of risks. • Training of their employees/staff.
4.	Suppliers	Provide goods &	<ul style="list-style-type: none"> • Accurate and timely information. 	<ul style="list-style-type: none"> • Quality and prompt supply of goods,

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
		Services	<ul style="list-style-type: none"> Fairness and equal opportunity. Prompt payment for goods, works and services as per agreements. Compliance with the provisions of Public Procurement and Assets Disposal Act, 2015 and regulations. 	<p>works and services.</p> <ul style="list-style-type: none"> Accurate and timely information. Adherence to contractual obligations.
5.	Ministries, Departments and Agencies	Provide services	<ul style="list-style-type: none"> Mutually beneficial collaboration. Accurate and timely information. Adherence to directives and guidelines. Compliance with relevant laws. 	<ul style="list-style-type: none"> Mutually beneficial collaboration. Accurate and timely information. Adherence to directives and guidelines. Compliance to relevant Laws.
6.	International and Regional Insurance Associations	Provide standards, build capacity and collaboration	<ul style="list-style-type: none"> Observe and promote best standards. Timely payment of subscription. Accurate and timely information. Active participation. 	<ul style="list-style-type: none"> Mutually beneficial collaboration. Effective capacity development. Accurate and timely information.
7.	Industry Associations	Advance membership interests.	<ul style="list-style-type: none"> Mutually beneficial collaboration. Promotion of best practices. Accurate and timely information. Enforcement of the Law. 	<ul style="list-style-type: none"> Mutually beneficial collaboration. Accurate and timely information. Develop and oversee implementation of codes of conduct. Promotion of best practices.
8.	National Police Service and other Law Enforcement Agencies	Maintain law & order	<ul style="list-style-type: none"> Provision of resources. Sharing information. Capacity building. Adhere to obligations of the MoU. 	<ul style="list-style-type: none"> Speedy and timely quality investigations. Cooperate from reporting investigations to conclusion of cases. Adhere to

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
				obligations of the MoU.
9.	Judiciary and Alternative Dispute Resolution (ADR) institutions and persons	Administration of justice	<ul style="list-style-type: none"> • Encourage alternative dispute resolution mechanisms. • Capacity building on insurance matters. • Timely action on matters of statutory management. • Information sharing. 	<ul style="list-style-type: none"> • Timely resolution of cases before the courts. • Enhanced understanding on insurance matters. • Information sharing.
10.	County Government	Provide services	<ul style="list-style-type: none"> • Stability and development of the insurance industry. • Timely support on insurance matters. • Consumer education/protection • Advice on insurance matters. 	<ul style="list-style-type: none"> • Collaboration on insurance matters. • Conducive business environment for the industry.
11.	Policyholders Compensation Fund (PCF)	Compensation to claimants of an insurer that has been put under Statutory Management	<ul style="list-style-type: none"> • Enforce the law. • Information sharing. • Provide direction on companies under statutory Management. • Technical support in areas of mutual interest. 	<ul style="list-style-type: none"> • Effective management of the fund. • Participate in the management of companies under statutory management. • Timely compensation to Policyholders, Claimants and beneficiaries.
12.	Learning and Research Institutions	Teaching and research.	<ul style="list-style-type: none"> • Accurate and up to date information. • Promotion of the insurance profession. • Sponsorship and promotion of research 	<ul style="list-style-type: none"> • Training and development of expertise in insurance related fields. • Engage in insurance related research.
13.	Professional bodies	Promote professionalism and ethical conduct	<ul style="list-style-type: none"> • Promotion of professionalism. • Mutually beneficial collaboration. 	<ul style="list-style-type: none"> • Promotion of professionalism and ethics. • Enforcement of ethics.

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
				<ul style="list-style-type: none"> • Mutually beneficial collaboration.
14.	Media	Educate, inform and entertain	<ul style="list-style-type: none"> • Accurate and timely statistics and information. • Implementation of the legal and regulatory framework. • Capacity building. 	<ul style="list-style-type: none"> • Accurate reporting. • Support in dissemination of information for consumer education and protection. • Publicity
15.	Parliament	Legislation and oversight	<ul style="list-style-type: none"> • Articulation of policies on insurance matters. • Identify areas for enhancing legislation on insurance matters. • Capacity building. • Accurate and timely information to the relevant committee. • Prudent management of resources. • Execute mandate as provided in the relevant legislation. 	<ul style="list-style-type: none"> • Timely legislation and approval of regulations and guidelines. • Consultation on laws regarding Insurance matters. • Review of annual reports. • Stakeholder consultations on amendments to insurance legislation and related matters.
16.	Consumer organizations and Civil Society/Advocacy groups	Promote consumer rights	<ul style="list-style-type: none"> • Prompt service to customers. • Fairness in services offered. • Accurate and timely sharing of information. • Enforcement of the Insurance Act 	<ul style="list-style-type: none"> • Know their rights and obligations. • Share information with the Authority. • Adherence to standards and best practice.
17.	Development Partners/ International and Local NGO's	Policy advocacy	<ul style="list-style-type: none"> • Mutually beneficial collaboration. • Participation in joint initiatives. • Information sharing. • Capacity building. 	<ul style="list-style-type: none"> • Mutually beneficial collaboration. • Participation in joint initiatives. • Information sharing. • Technical Support in areas of mutual interest.
18.	Financial Institutions	Financial services	<ul style="list-style-type: none"> • Joint collaboration in enhancing reach to the underserved. 	<ul style="list-style-type: none"> • Compliance with the Insurance Act. • Fair treatment of

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
			<ul style="list-style-type: none"> Enforcement of the law. Oversight of the Industry. Accurate and timely information. Industry development. Promote professionalism. Timely service. 	<ul style="list-style-type: none"> insurance consumers. Adhere to reporting standards and requirements. Ethical and professional business practices. Fair business practices. Innovative initiatives. Effective risk management.
19.	Financial Sector Regulators	Sector regulation	<ul style="list-style-type: none"> Stability and development of the insurance industry. Collaboration in enhancing financial literacy. Enhanced understanding on insurance matters. Information sharing. Conduct joint research 	<ul style="list-style-type: none"> Stability and development of the financial sector. Collaboration in enhancing financial literacy. Enhanced understanding on insurance matters. Information sharing. Conduct joint research.
20.	Board of Directors	Oversight	<ul style="list-style-type: none"> Timely implementation of decisions made. Timely and well researched board papers. Implementation of plans/achievement of set targets. Training and capacity building. 	<ul style="list-style-type: none"> Foster collaboration and partnerships Guidance and policy direction. Timely decision making. Resource mobilisation.
21.	Staff	Execute duties and responsibilities.	<ul style="list-style-type: none"> Stable and progressive organization. Timely path for career growth and progression. Competitive terms and conditions of service. 	<ul style="list-style-type: none"> High performance levels. Strategic leadership and direction. Commitment to core values. Adherence to the codes of conduct.

#	Stakeholder Name	Role of the Stakeholder	Stakeholder Expectations of IRA	IRA Expectations from Stakeholder
			<ul style="list-style-type: none"> • Timely communication. • Timely decision making. • Staff recognition and rewards. • Capacity building. 	
22.	Third party service providers	Offer services	<ul style="list-style-type: none"> • Safe and stable industry. • Consumer protection. • Accurate and timely sharing of information. 	<ul style="list-style-type: none"> • Know their rights and obligations. • Familiarize and understand the terms and conditions of the relevant insurance contracts. • Share information.

CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

This chapter presents the strategic issues, strategic goals and key result areas derived from the situational and stakeholders' analyses.

4.1. Strategic Issues

The strategic issues are the fundamental challenges that the Authority shall address to achieve its objectives and realise its vision. They form the basis for the formulation of strategic goals in this Plan. The strategic issues are presented in **table 4.1**.

4.2. Strategic Goals

The strategic goals are the actual desired outcomes that will be realised in addressing the strategic issues identified. These are presented in **table 4.1**.

4.3. Key Result Areas

The Key Result Areas form the pillars of this Plan and have been determined following a comprehensive analysis. Each key result area is described as follows:

KRA 1: Resilient Insurance Industry

Facilitating a strong and sustainable insurance industry in a dynamic market environment. This will promote maintenance of a fair, safe and stable insurance industry; and that the policyholders and insurance beneficiaries are protected.

This will be achieved through ensuring a robust and responsive policy and regulatory framework, strengthening prudential and market conduct supervision, advancing data analytics and management and improving financial integrity and surveillance. In addition, the Authority will undertake strategic initiatives to ensure impactful public education and insurance awareness.

KRA 2: Strengthened Institutional Capacity

Strengthening the Authority's capacity to adopt to the changing environment. This will reposition the Authority for timely delivery of efficient and quality services and build institutional capacity.

This will be achieved through sustaining the Quality Management System (QMS), optimizing service delivery mechanisms and strengthening risk management practices. The Authority will further align human resource management, strengthen corporate governance practices. Lastly, the Authority will leverage on technology,

institutionalise knowledge management and learning, and acquire office premises.

KRA 3: Customer Centricity

Positioning the Authority to keep abreast with the changing customer needs and expectations, to enhance customer experience and improve stakeholder involvement.

This will be achieved through increasing customer satisfaction, enhancing stakeholder interactions and participation and fostering partnerships and collaborations.

KRA 4: Transformed Insurance Market

Transforming the insurance market to support the government's agenda, be responsive, adaptable to changing consumers' insurance needs and expectations by keeping pace with developments and emerging trends. This is aimed at promoting Bottom-Up Economic Transformation Agenda and an inclusive insurance. It will also promote ethics and professional conduct in the insurance market.

It will be achieved through facilitating innovation and digital transformation; strengthening role of Private Insurers in Universal Health Coverage; promoting Agriculture and Livestock Insurance; enabling insurance for Micro, Small and Medium Sized Enterprises; promoting market development and financial literacy and access; strengthening professionalism and proficiency. Lastly this will be achieved by developing and sustaining systems for Countering insurance fraud and unethical practices.

KRA 5: Sustainable Insurance Industry

Ensuring the Authority and the insurance industry business operations and practices are aligned to the sustainability agenda. This will be achieved through; mainstreaming sustainable practices in the Authority; promoting corporate social responsibility; supporting capacity development of the insurance industry on sustainability; and encouraging adoption of Principles of Sustainable Insurance (PSI).

Each Key Result Area is linked to corresponding strategic issue and goal as outlined in **table 4.1**.

Table 4.1: Strategic Issues, Goals and Key Result Areas

Strategic Issue	Strategic Goal	Key Result Area
Stability of the insurance industry.	Protected policyholders and insurance beneficiaries.	Resilient Insurance Industry.
Responsiveness to the changing environment.	Delivery of efficient and quality service	Strengthened Institutional Capacity.
Dynamic customer needs and expectations.	Improved customer satisfaction.	Customer Centricity.
Usage and access to insurance.	Enhanced inclusive insurance.	Transformed Insurance Market.
Adoption of sustainability practices.	Align with the sustainability agenda.	Sustainable Insurance Industry.

CHAPTER FIVE: STRATEGIC OBJECTIVE AND STRATEGIES

The chapter highlights the strategic objectives upon which the projected performance for the next five (5) years is based along with the outcomes and corresponding indicators. To drive this performance, the strategic choices including the strategies are as captured below.

5.1. Strategic Objectives

This section outlines the objectives, the outcomes for each strategic objective and projections for the outcomes over the five-year period. The Authority has identified 10 strategic objectives for the 2023 -2027 plan period as listed below.

- a) Promote a fair, safe and stable insurance industry.
- b) Protect policyholders and insurance beneficiaries.
- c) Repositioning for timely delivery of efficient and quality services.
- d) Continual institutional capacity building.
- e) Enhance customer experience.
- f) Improve stakeholder involvement.
- g) Promote Bottom-Up Economic Transformation Agenda.
- h) Promote inclusive insurance.
- i) Promote ethics and professional conduct.
- j) Institutionalize sustainability practices in the Authority.
- k) Promote sustainability practices in the insurance industry.

The outcomes, outcome indicators and projections for each of the objectives are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

5.2. Strategic Choices

The Authority's strategic choices for the plan period are as summarized in table 5.2.

Table 5.2: Strategic Objectives and strategies

Key Result Area	Strategic Objectives	Strategies
KRA 1: Resilient Insurance Industry	Promote a fair, safe and stable insurance industry	Ensure a robust and responsive policy and regulatory framework
		Continuously strengthen Prudential Supervision
		Improve Financial Integrity and surveillance
		Advance data analytics and management
	Protect policyholders and insurance beneficiaries	Enhance Market Conduct Supervision
		Ensure impactful public education and insurance awareness
KRA 2: Strengthened Institutional Capacity	Repositioning for timely delivery of efficient and quality services	Sustain the quality management systems (QMS)
		Optimize service delivery mechanisms
		Strengthen enterprise risk management
	Continual institutional capacity building	Align human resource management
		Acquire Office Premises
		Strengthen Corporate Governance Practices
		Leverage on technology
		Foster an environment of continual Learning
KRA 3: Customer Centricity	Enhance customer experience	Increase customer satisfaction
		Enhance stakeholder interaction
	Improve stakeholder involvement	Foster Partnerships and collaborations
		Enhance stakeholder participation

Key Result Area	Strategic Objectives	Strategies
KRA 4: Transformed Insurance Market	Promote Bottom-Up Economic Transformation Agenda	Facilitate innovation and digital transformation.
		Strengthen the role of Private Health Insurers
		Promote agriculture and livestock insurance
		Enable insurance for Micro, Small and Medium Sized Enterprises
	Promote inclusive insurance	Promote market development
		Promote financial literacy and access
	Promote ethics and professional conduct	Strengthen professionalism and proficiency in the Insurance industry
		Develop and sustain systems for Countering insurance fraud and unethical practices
KRA 5: Sustainable Insurance Industry	Institutionalize sustainability practices in the Authority	Mainstream sustainable practices in the Authority
		Promote Corporate Social Responsibility
	Promote sustainability practices in the insurance industry	Support capacity development of the insurance industry on sustainability
		Encourage adoption of the Principles of Sustainable Insurance

CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

This chapter provides the implementation plan as set out in the implementation matrix. The chapter also presents an assessment of key risks and the risk management framework.

6.1. Implementation Plan

To bring the strategic plan to life and for the purposes of successful execution of the implementation plan, clear deliverables have been set out and responsibilities assigned with budgets and timelines to responsible lead managers and support teams. Action plans, work plans and performance contracting targets are to be developed in line with the strategic plan. The Authority will secure five key elements: people, resources, structure, systems, and organizational culture for purpose of the success of the implementation plan.

The plan will be monitored quarterly and annually to ensure actions remain on target towards achieving the strategic intent. The Directorate of Research Innovation Policy and Strategy (DRIPS) will be the service delivery unit for purposes of monitoring implementation of this strategic plan. Under the guidance of the Chief Executive Officer and working closely with all functional Directorates and Departments, the Directorate will develop and implement an effective monitoring and evaluation system for the strategic plan and coordinate generation of relevant reports quarterly and annually.

As a service delivery unit, the Directorate will oversee implementation of the strategic plan and ensure that monitoring, evaluation, and reporting is done on a regular basis. The Directorate will further monitor and provide input through reports to staff, senior management and then Board on issues relating to overall implementation of the strategic plan as appropriate. Further, it will generate generation of reports in appropriate formats as per guidelines to the State Department for Economic Planning.

6.1.1. Action Plan

The action plan is represented as an implementation matrix that contains the strategic issues, strategic goals, key result areas, outcomes, strategic objectives, strategies, key activities, expected outputs, output indicators, annual targets, annual budgets and responsibility for execution of the activities. ***The detailed***

implementation matrix has been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

6.1.2. Annual Workplan and Budget

To successfully realize the goals and objectives of this strategic plan, annual workplans will be prepared to guide implementation of planned activities and realization of desired outputs and outcomes. Annual workplans will be developed timely and costed to aid in budget preparation. The annual work plan and budget for the first year of implementation of the strategic plan is outlined.

6.1.3. Performance Contracting

The Authority will operationalize the strategic plan through the performance contracting initiative in line with guidelines issued by the Government. Focus will be on ensuring continuous improvement in service delivery and accountability for results.

The Board will provide leadership in ensuring seamless development, implementation, monitoring, evaluation- and reporting on achievement of the agreed targets. It will serve as a basis for ensuring that efficient and effective services are delivered to the public and that targets are cascaded and signed between the Board and the CEO and further between the CEO and the functional heads of Directorates/Departments.

Quarterly and annual performance reports will be developed in line with applicable performance contracting guidelines and considered by the Board for the purpose of monitoring progress and performance.

6.2. Coordination Framework

This section covers the institutional framework, staff establishment, skills set and competence development, leadership, and systems and procedures.

6.2.1. Institutional Framework

The existing structure, policies, rules and regulations have supported execution of the Authority's mandate. Going forward, there is need for a review to take into account what is needed to support implementation of the identified strategic initiatives.

6.2.1.1. Organizational Structure

The Board of Directors is the highest decision-making body and is responsible for strategy, policy direction, and overall leadership of the Authority. The Commissioner of Insurance is the Chief Executive Officer (CEO) and is supported by a management team comprising six (6) Directors and One (1) Head of Department. Additionally, there are thirteen (13) Departments with direct reporting responsibility to Heads of Directorates as per the organizational structure.

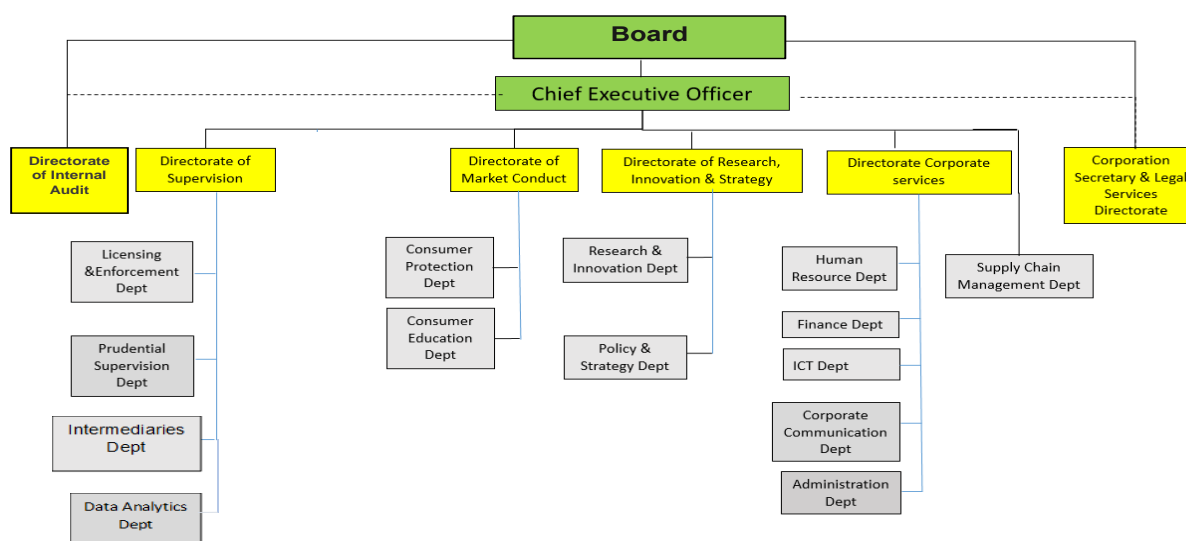


Figure 6.2: Organizational Structure

6.2.1.2. Policies, Rules and Regulations

The Authority is governed by the Insurance Act, in addition to all laws, rules and regulations that are applicable to State Corporations. The Board has approved various policies to support implementation of the laws and regulations. These policies include code of conduct and ethics, conflict of interest policy, whistle blowing policy, risk management policy framework, succession management policy framework, information and communication technology policy, communication policy and stakeholder engagement policy, among others.

6.2.2. Staff Establishment, Skills Set and Competence Development

The Authority has a staff establishment of 121 persons with 69 in-post spread across the various functional areas. The current staffing levels are as outlined in the document

6.2.3. Leadership

Execution of the strategic plan will be managed through strategic theme teams identified based on skills required to execute planned activities as outlined.

6.2.4. Systems and Procedures

In pursuing its mandate, the Authority has embraced modern management trends and approaches. A Quality Management System under ISO 9001:2015 has been implemented to guide operations. The System applies to all services offered by the Authority. Standard operating procedures have been defined to support implementation of policies, rules and regulations that govern implementation of strategic initiatives.

On an annual basis, a detailed evaluation of the internal control system designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance is done. To achieve enhanced performance, promote innovation and ensure efficiency and effectiveness in implementation of the plan, the Authority will promote fundamental rethinking of business processes aligned to identified strategies.

6.3. Risk Analysis and Mitigation Measures

Risks are, in the context of this Strategic Plan implementation, factors which may compromise the successful achievement of strategic objectives. Although this Plan has been prepared having taken into consideration the prevailing internal and external factors, the Authority, is not immune to risks.

The Plan has therefore anticipated and identified possible risks and mitigation measures to ensure successful implementation. The Authority will remain proactive throughout the implementation phase in anticipating any emerging eventuality that could impede the attainment of the strategic objectives.

a) **Strategic Risks:** These are categorised as:

- i) The risk of choosing and continuing to follow sub optimal strategies to meet objectives.
- ii) The risk of not executing the chosen strategies successfully; and,
- iii) Emerging risks as a result of changes in situations and circumstances or achievement of strategic objectives.

b) **Operational Risks:** These are events that may hinder people, processes and systems from effectively supporting the Authority's day-to-day activities. This

also includes, but is not limited to, business continuity and disaster recovery, corporate governance, security, fraud and Information Technology risks.

- c) **Supervisory Risk:** This is external to the Authority and arises due to non-compliance with laws and regulations by regulated entities.
- d) **Financial Risk:**
 - i) **Credit Risk:** The risk of loss from a counterparty failing to meet their obligations as and when they fall due.
 - ii) **Liquidity Risk:** The risk of not being able to meet cash flow obligations as and when they fall due.
 - iii) **Market Risk:** The risk of gain or loss from a future movement in market rates i.e., foreign exchange risk, interest rate risk and price risk.
- e) **Technological Risk:** The potential negative consequence associated with development, deployment and use of technology.
- f) **Reputational Risk:** The potential for negative publicity, public perception or uncontrollable events to have an adverse impact on the Authority's reputation, thereby affecting its ability to fulfil its mandate.
- g) **Legal, Regulatory and Governance Risk:** Exposure to legal penalties, financial forfeiture and material loss when the Authority fails to act in accordance with laws and regulations, internal policies or prescribed best practices and governance standards.

The overall risk rating is arrived at by multiplying the impact and likelihood. Impact and likelihood are given equal weighting based on a range of 1 to 5. On the basis of this scale, the risk rating is determined as a combination of impact and likelihood to give a range that determines whether it is a low risk, medium risk or high risk. outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan. ***The risk analysis and mitigation plan is outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.***

CHAPTER SEVEN: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

This chapter provides an overview of the financial requirements, resource mobilization and resource management strategies to realize the implementation of this plan.

7.1. Financial Requirements

For the plan to be implemented, annual budgets proposals have to be prepared and submitted to The National Treasury and Economic Planning for approval in line with the PFM Act, 2012 requirements. The total financial cost for implementing this plan is estimated at KSh. 14,639 Million over the next five years as tabulated in **table 7.1**.

Table 7.1: Financial Requirements for Implementing the Strategic Plan

Key Result Area	Financial Resource Requirements Estimate (KSh. Mn)					
	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Resilient Insurance Industry	112	257	237	241	200	1,048
Strengthened Institutional Capacity	221	1,439***	1,465***	480	490	4,095
Customer Centricity	92	185	208	218	199	902
Transformed Insurance Market	161	330	287	281	275	1334
Sustainable Insurance Industry	18	32	29	30	32	141
Total for KRA 1-5	604	2,243	2,226	1,251	1,197	7,521
Recurrent budget	1,107	1,215	1,403	1,610	1,783	7,118
Total	1,711	3,458	3,628	2,861	2,980	14,639

*** Includes provision for acquisition of office premises

The projected financial resource requirement for the implementation of this Strategic Plan is approximately KSh. 14,639 Million against an estimated resource allocation of KSh. 14,665 Million as tabulated in **table 7.2**.

Table 7.2: Resource Gaps

Financial Year	Requirement (KSh. Mn)	Estimated Resource Allocation (KSh. Mn)	Variance (KSh. Mn)
2023/24	1,711	2,654	943
2024/25	3,458	2,787	-672
2025/26	3,628	2,926	-702
2026/27	2,861	3,072	211
2027/28	2,980	3,226	246
Total	14,639	14,665	26

7.2. Resource Mobilisation Strategies

The Authority is committed to evaluating and executing resource mobilization strategies aimed at achieving financial sustainability. The Authority will raise funds from both internal and external sources. Internal revenue sources include premium levy and license fees. The Authority will also explore opportunities for development partners' support in some of its initiatives.

7.3. Resource Management

The Authority will endeavour to allocate resources to achieve the best organizational value. The overall expenditure incurred shall be within the approved budget, statutes and guidelines issued by The National Treasury and Economic Planning and other government Ministries Departments and Agencies. To ensure optimum resource management, the Authority will deploy its financial resource in conformity with the Public Finance Management Act, 2012 and Public Procurement and Assets Disposal Act, 2015. The Authority will also enhance cost control measures to ensure efficient utilization of allocated resources while eliminating wastage.

CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

Monitoring, Evaluation and Reporting framework that will guide the implementation of the Plan. This will be achieved through systematic and continuous process of collecting and analysing data on targets, output indicators, outcome indicators among other measures as well as taking corrective actions and making necessary adjustments to ensure realisation of the set objectives.

8.1. Monitoring Framework

For effectiveness in monitoring the plan, measures with clear objectives, targets, and initiatives will be put in place to ensure that the framework:

- a) Objectively determines key performance indicators from the action plan implementation matrix for tracking the outputs and outcomes;
- b) Establishes the baseline data on indicators to be monitored; and
- c) Plans for continuous improvement on the targeted results for efficiency and effectiveness.

A result-oriented monitoring and evaluation intervention strategy will be adopted in assessing what works and what doesn't work at specific times. This approach will entail "measuring" the degree to which objectives and interventions have been achieved. Based on the assumptions and expectations of causality and linearity, this strategy will involve systematic data collection, analysis and reporting. Continuously monitoring, evaluating, and reporting on level of implementation of strategies, indicators, and activities will enable the Board to assess the extent of progress and achievement of strategic plan objectives as well as offer any remedial or alternative strategies.

8.2. Performance Standards

The monitoring and evaluation system will be based on internationally accepted norms and standards. These standards read together with the Public Service Commission (performance Management) Regulations, 2021 shall inform performance target setting, implementation monitoring, evaluation and reporting. Key Performance Indicators identified at outcome, output and efficiency level shall be linked to the Authority's mandate, aligned to the national development agenda, provided for in the budget and intended beneficiaries desired achievements, and timeframe for achievement of objectives clearly identified in line with standards of tracking performance.

Strategic Theme Teams, through the coordination of the Director, Research, Innovation, Policy and Strategy will be responsible for data collection for all the KRAs.

8.3. Evaluation Framework

The outcome performance matrix setting out the baseline, mid year and end year targets are outlined in the document but have been left out in this draft awaiting feedback from stakeholders to incorporate in the final strategic plan.

8.3.1. Mid-Term Evaluation

A mid-term evaluation of the plan will be undertaken in the Financial Year 2025/2026 in line with the Kenya Evaluation Guidelines 2020 and the Kenya Norms and Standard for M&E. The mid-term evaluation will assess the extent to which planned results are on target and any areas that may require improvement.

8.3.2. End-Term Evaluation

The end-term evaluation to be undertaken in the Financial Year 2027/2028 in line with the Kenya Evaluation Guidelines 2020 and the Kenya Norms and Standard for M&E. This will be a summative evaluation that will assess progress and achievement made, challenges encountered, and mitigation measures. This will be conducted along the following criteria:

- a) **Relevance:** Examines alignment of the Plan goals, purpose, and objectives with the needs and priorities of the relevant stakeholders.
- b) **Efficiency:** Analyses how resources and inputs such as funds, expertise, time, and infrastructure were utilized to achieve the desired results.
- c) **Effectiveness:** Assesses the degree to which the implementation of activities successfully accomplished the set objectives.
- d) **Sustainability:** Determines the likelihood of its achievements continuing in the future.
- e) **Impact:** Determines plans effectiveness in achieving the intended outcomes.

8.4. Reporting Framework and Feedback Mechanism

Reporting on the levels of implementation will be a key deliverable in ensuring the success of the Authority's 2023-2027 strategic Plan. Reviews will therefore

be conducted to track progress of the achievement, identify and address challenges and constraints affecting the implementation to ensure that the Authority is on course to achieving the annual targets. The Directorate of Research, Innovation, Policy, and Strategy (DRIPS) will be responsible for preparing the quarterly and annual reports.

Annual strategic plan evaluation report will be the culmination of the process of performance contracting and will be carried out in a manner that ensures objectivity and integrity of the results. All the directorates, divisions and departments will provide verifiable evidence during the exercise. Feedback will be provided for improvement at all stages. Quarterly, annual and all other evaluation reports will be tabled as appropriate for discussion and approval at the Board level. The approved quarterly and annual reports will be submitted to the State Department for Economic Planning within Fifteen (15) days following the end of the period.

Lessons learnt will be captured for continual improvement and corrective interventions in the strategy.