



**SEZ**  
AUTHORITY

*Powering Growth*

# STRATEGIC PLAN

**2023 - 2027**



**KENYA**  
**VISION 2030**  
**FLAGSHIP PROJECT**



## *“Powering Growth”*

### *Vision*

*“Globally competitive investment hubs for economic transformation”*

### *Mission*

*“To create a conducive environment for a globally competitive and sustainable investment destination through provision of enabling infrastructure, policy, legal and institutional framework for economic transformation.”*

### *Core Values*

*Excellence*

*Transparency*

*Collaboration*

*Innovation*

*Sustainability*

*Investor-Focused*

*Empowerment*

### *Motto*

*Powering Growth, Promoting Green Manufacturing*

## FOREWORD

I am honoured to present the SEZA Strategic Plan 2023-2027, which is built on three pillars: the people, probabilities and the big moves to beat the odds. It also outlines our vision and roadmap for revamping and development of Special Economic Zones (SEZs) in Kenya. As the Chairman of SEZA, I would like to emphasize the crucial role that SEZs play as catalysts for economic growth and their ability to attract foreign direct investments (FDIs).

SEZs have emerged as powerful tools for promoting economic development in many countries around the world. These designated areas offer a range of incentives, including tax breaks, streamline regulations, and infrastructure support, to attract both local and international businesses.

By providing an environment conducive to investment and trade, SEZs have proven to be instrumental in driving economic growth and employment generation. One of the key advantages of SEZs is their ability to attract FDIs. These investments bring in new capital, technology, and expertise, which can significantly boost productivity, stimulate innovation, and enhance competitiveness. By establishing SEZs in strategic locations across Kenya, we aim to create an attractive investment climate that encourages both domestic and foreign investors to set up operations and contribute to our economic prosperity.

Foreign Direct Investments (FDIs) not only infuse capital into the economy but also bring in new markets and export opportunities. SEZs act as gateways to global markets, allowing businesses to access international supply chains, expand their customer base, and enhance their competitiveness in the global arena. Through strategic partnerships and collaboration with foreign investors, SEZs can facilitate technology transfer, skills development, and knowledge exchange, further strengthening our domestic industries.

I invite all stakeholders, including government agencies, investors, business communities, and local communities, to join hands in realizing our vision of creating world-class SEZs in Kenya. Together, we can leverage the potential of SEZs to drive economic growth, attract Domestic Direct Investments (DDIs, FDIs, and unlock new opportunities for our country and its people.

**Mr. Fred Muteti, EBS  
Chairman,  
Special Economic Zones Authority**



**Mr. Fred Muteti, EBS  
Chairman**

## PREFACE

It is with great enthusiasm and a sense of purpose that I introduce this strategic plan. This Strategic Plan is the first strategy document for SEZA since enactment of the SEZA Act (2015), outlining our vision to drive unparalleled industrialization in Kenya through the establishment of a dynamic and innovative Special Economic Zone. Our commitment to this endeavour is unwavering, and our approach is anchored in three crucial pillars: the people, probabilities, and big moves that will defy the odds.

First and foremost, our people stand as the cornerstone of this ambitious journey. The diverse and talented workforce in Kenya holds the key to unlocking our nation's full potential. By fostering an environment that nurtures skills development, empowers creativity, and encourages collaboration, we aspire to create a workforce that not only meets the demands of the modern industrial landscape but leads it. This strategy places a profound emphasis on equipping our people with the tools they need to excel, ensuring that they are at the forefront of this industrial revolution.

As we delve into uncharted territories, we recognize the importance of calculated risks and embracing probabilities. Our strategy is built upon thorough analysis, strategic foresight, and a commitment to exploring innovative avenues. By identifying potential growth areas, leveraging cutting-edge technologies, and embracing partnerships that amplify our impact, we are poised to transcend limitations and redefine what is possible for our nation's industrial landscape. It is through these calculated leaps of faith that we will turn probabilities into certainties, transforming challenges into opportunities.

Yet, our ambitions extend beyond incremental progress; we are advocates of big moves that hold the potential to reshape the industrial narrative of Kenya. Bold, transformative actions lie at the heart of our strategy. By establishing an ecosystem that encourages disruptive thinking, incentivizes investment, and fosters a culture of resilience, we are positioning ourselves to lead monumental shifts in our nation's economic trajectory. These audacious endeavours will not only challenge conventional thinking but will redefine the very essence of industrialization in Kenya.

Our overarching goal is clear: to propel Kenya to the forefront of global industrialization, shattering preconceived notions and surpassing expectations. As we embark on this transformative journey, we invite all stakeholders, both within our borders and beyond, to join hands and contribute to this momentous endeavour. Together, we will create a legacy of progress, prosperity, and resilience that will stand as a testament to the power of collective vision and unwavering determination.



**Dr. Kenneth Chelule, PhD, EBS**  
**Chief Executive Officer**

I extend my heartfelt gratitude to all those who have contributed to shaping this strategy, and I eagerly anticipate the remarkable achievements that lie ahead. Let us unite, empowered by the pillars of people, probabilities, and big moves, to not only beat the odds but to rewrite them in favour of a thriving and industrious Kenya.

**Dr. Kenneth Chelule, PhD, EBS**  
**Chief Executive Officer,**  
**Special Economic Zones Authority**

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## **ABBREVIATIONS AND ACRONYMS**

<b>AGOA</b>	African Growth and Opportunity Act
<b>AfCFTA</b>	African Continental Free Trade Area
<b>AIE</b>	Authority to Incur Expenses
<b>AU</b>	African Union
<b>BDS</b>	Business Development Services
<b>BMOs</b>	Business Management Organizations
<b>BETA</b>	Bottom-Up Economic Transformation Agenda
<b>BRRU</b>	Business Regulatory Reform Unit
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>CSR</b>	Corporate Social Responsibility
<b>DDI</b>	Domestic Direct Investment
<b>DDDI</b>	Diaspora Domestic Direct Investment
<b>DFID</b>	Department for International Development
<b>DFIs</b>	Development Finance Institutions
<b>EAC</b>	East Africa Community
<b>EMCA</b>	Environment Management Coordination Act
<b>EPZA</b>	Export Processing Zones Authority
<b>ESG</b>	Environment Social Governance
<b>FDI</b>	Foreign Direct Investment
<b>FIAS</b>	Foreign Investment Advisory Services
<b>FIPA</b>	Foreign Investment Protection Act
<b>FY</b>	Financial Year

<b>GDP</b>	Gross Domestic Product
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IPA Act</b>	Investment Promotion Act, 2004
<b>IPD</b>	Investment Promotion Department
<b>IPPAs</b>	Investment Promotion and Protection Agreements
<b>IPR</b>	Intellectual Property Rights
<b>IS</b>	Investor Services
<b>KAM</b>	Kenya Association of Manufacturers
<b>SEZA</b>	Special Economic Zones Authority
<b>KEPSA</b>	Kenya Private Sector Alliance
<b>KIP</b>	Kenya Investment Policy
<b>KIPI</b>	Kenya Industrial Property Institute
<b>KIPPRA</b>	Kenya Institute of Public Policy Research and Analysis
<b>KIRDI</b>	Kenya Industrial Research and Development Institute
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KNCC&amp;I</b>	Kenya National Chamber of Commerce & Industry
<b>KRA</b>	Kenya Revenue Authority
<b>KTB</b>	Kenya Tourist Board
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MSMEs</b>	Micro, Small and Medium Enterprises
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium Term Plan

<b>MUB</b>	Manufacturing Under Bond
<b>NEMA</b>	National Environment Management Authority
<b>NESC</b>	National Economic and Social Council
<b>NIC</b>	National Investment Council
<b>NTBs</b>	Non-Tariff Barriers
<b>PPP</b>	Public Private Partnership
<b>RPAP</b>	Research, Policy Advocacy & Planning Department
<b>SAGA</b>	Semi-Autonomous Government Agency
<b>SDGs</b>	Sustainable Development Goals
<b>SDIP</b>	State Department of Investment Promotion
<b>SADC</b>	South African Development Community
<b>SEZ</b>	Special Economic Zones
<b>SEZA</b>	Special Economic Zones Authority
<b>SMEs</b>	Small and Medium Enterprises
<b>SP</b>	Strategic Plan
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>UN</b>	United Nations
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNIDO</b>	United Nations Industrial and Development Organization
<b>UON</b>	University of Nairobi
<b>WB</b>	World Bank

<b>WEF</b>	World Economic Forum
<b>WTO</b>	World Trade Organization

## KEY CONCEPTS AND TERMINOLOGIES

**Baseline:** An analysis describing the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made.

**Indicator:** A means for measuring progress or change those results from an intervention. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcome, outputs and inputs that are monitored during project implementation to assess progress.

**Investment Climate:** refers to the economic, financial, political, and social conditions that influence the willingness and ability of individuals and businesses to invest in a particular country or region.

**Key Activities:** Actions taken or work performed, through which inputs are mobilized to produce outputs.

**Monitoring:** A continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities. It is an oversight of the activity's implementation stage

**Key Results Areas:** This is an outline of the organisation's areas of focus. It also refers to the general areas of outputs or outcomes for which an organisation's role is responsible.

**Outcome Indicator:** This is a specific, observable, and measurable characteristic or change that will represent achievement of the outcome. Outcome indicators include quantitative and qualitative measures. Examples: Enrolment rates, transition rates, mortality rates etc.

**Outcome:** The intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project.

**Output:** Products, services or immediate results, tangible or intangible resulting directly from the implementation of activities or applying inputs

**Programme:** A grouping of similar projects and/or services performed by a Ministry or National/ County Department to achieve a specific objective; the programmes must be mapped to strategic objectives.

**Project:** A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters.

**Strategic Goal:** General qualitative statements on what the Special Economic Zones Authority is hoping to achieve in the long term.

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**Strategic Issues:** These are problems or opportunities emanating from situational analysis that SEZA must address to fulfil its mandate and mission.

**Strategic Objectives:** These are what the organization commits itself to accomplish in the long term; they establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

**Strategies:** Broad abstractions which are descriptive of the means for achieving the strategic objectives.

**Target:** A result to be achieved within a given time frame through application of available inputs.

**Top Leadership:** Individuals or groups of people who carry the vision of Special Economic Zones Authority and are responsible for achieving its mandate including the Cabinet Secretary and Principal Secretary.

**Value Chain:** A description of the production-to-market linkages, generating value to the customer through efficient processes and procedures. Value chains are about understanding how creation of value is distributed along the Chain.



## EXECUTIVE SUMMARY

The Special Economic Zones Authority (SEZA) Strategic Plan for the period 2023-2028 is anchored on the government blue print Kenya Vision 2030, the 4<sup>th</sup> Medium Term Plan 2018-2022, the Bottom-Up Transformation Agenda (BETA) programme and the Sustainable Development Goals (SDGs). The process has been guided by the Revised Guidelines for Preparation of the Fifth- Generation Strategic Plans issued by the National Treasury and Economic Planning and relevant sectoral policies and laws.

The Plan considers the successes, challenges and lessons learned in the eight (8) years upon enactment of the SEZ Act. 2015, during this period, key achievements were recorded including: The appointment of the SEZA Board of Directors, Development of the SEZA Brand, Identified and designated potential SEZ sites, Licensing of 7 public and 30 private Special Economic Zones ; Initiation of infrastructure development projects both in Dongo Kundu and Naivasha; Developed strategic partnership with JICA; Developed regulatory framework for SEZs; Acquisition of Office Space/Facilities ; Strengthened regional economic integration by spearheading development of the EAC special economic zones policy and regulations; Expanded SEZs to new geographical locations (Mt. Kenya, Kisumu and Laikipia); Diversified the SEZ portfolio to include financial services and tourism and laid the foundation engagements for the establishment of a SEZA Academy. The Finance Act 2023 made fundamental changes to the SEZ regime on market access with regards to the treatment of goods originating from the SEZ. Further the amendments to the Customs Controlled Area and non - Customs Controlled Area to create better business enabling policy in SEZs.

All these efforts resulted in increased investment value for 2022/2023 to USD 62,786,122, total employment created 2022/2023 is 2085 new employees and total number of SEZ enterprises is 47.

Situational analysis was conducted on both the internal and external environment of the Authority with a view of identifying macro environmental factors that affect implementation of the strategic objectives and strategies. The analysis also assessed the Authority's governance and administrative structures, internal business processes, resources, and capabilities, as well as stakeholders to successfully deliver the strategies in the Strategic Plan 2023/2024 - 2027/2028. The outcome of this analysis has together with the review of other documents led to the identification of the following strategic issues: Investment Attraction, Development of integrated infrastructure, Legal and regulatory Framework, and Institutional Capacity Development.

The Vision of the Authority during the implementation of the Plan is *“Globally competitive investment hubs for economic transformation.”* The guiding Mission is *“To create a conducive environment for a globally competitive and sustainable investment destination through provision of an enabling policy, legal and institutional framework for economic transformation.”*

The Plan outlines four Key Result Areas to achieve the Authority’s Vision and Mission. These are: Level of intensity of investment; Sustainable Zones Development; Legal and Regulatory Framework; and, Institutional operational Efficiency.

The Plan proposes an effective implementation and coordination framework to ensure the achievement of the set strategic objectives. This includes a detailed implementation matrix that outlines which key activities are to be undertaken, when, by whom and at what cost for the objectives under each KRA to be achieved. In addition, to ensure that the strategies have requisite resources in terms of, skills and competencies, a detailed analysis of available versus optimal skills, competences, leadership structures, systems and procedures has been undertaken. All the activities in the plan have also been carefully costed giving a budget requirement of approximately Kshs **14,944,700,000 (Fourteen billion, nine hundred and forty-four million, seven hundred thousand)** to implement for the five years.

The Authority will demonstrate the commitment to achieve the planned targets through analysis of risks and putting in place a robust monitoring and evaluation framework for the plan. Some of the risks identified and mitigation measures formulated include: Delayed Exchequer Releases; Delayed filling/deployment of officers by PSC and Various Scheme managers; and Litigation. Monitoring of the plan will be undertaken based on the indicators and targets under each Key Result Area and as outlined in the Implementation Matrix. Mid-term, End term and any ad hoc evaluation have been provided for in the Monitoring & Evaluation framework to provide information on achievement of strategic results, challenges and lessons learnt.

## CHAPTER ONE: INTRODUCTION

This chapter presents the critical role strategy will play in steering SEZA towards achievement of its objectives. A brief description of the context within which this plan has been developed, is also provided for clarity and linkage with national and international development priorities. Finally, the chapter explains the methodology adopted in the preparation of the strategic plan from initiation to finalization.

### 1.1 Strategy as an imperative for SEZA's Success

The Authority was established as a statutory body under the Special Economic Zones Act No. 16 of 2015. It was created with the aim of promoting and facilitating investments in special economic zones (SEZs) in Kenya and to contribute to the efforts of other agencies to position Kenya as a preferred investment destination in Africa. According to the UNCTAD World Investment Report of 2022 FDI inflows into Africa stood at USD 83 Billion. FDI inflows to East Africa stood at USD 8.2 billion and into Kenya was USD 500 Million. The data demonstrates the competitive nature of the environment under which SEZA must work to attain its objectives.

In addition, it indicates that Kenya must do more to attract FDI since only a small proportion of total FDI inflows to East Africa came to Kenya. The goal of Ministry is to increase FDI from USD 500m to USD 10Billion by 2027 with a growth rate of USD 2.5 billion per year to benefit Kenyans. To be able to significantly contribute to the achievement of this, SEZA needs clear strategies to be developed and implemented. Strategy will therefore play a critical role in creating a competitive edge for Kenya as an investment destination and ensuring that through a Whole of Government Approach (WGA), the investment and business climate becomes more competitive than other African countries.

In developing the SEZA strategic plan, consideration has been placed on various factors in the operating environment with a focus on ensuring responsiveness to the changes. This plan is thus designed to enable the Authority to be effective in pursuit of its Vision.

### 1.2 The context of strategic planning

The development of the Plan has taken into consideration national development priorities as well as the international development frameworks that Kenya has committed to.

### 1.2.1 United Nations 2030 Agenda for Sustainable Development (SD)

SEZA through the implementation of this strategic plan will contribute to the achievement of the following sustainable development goals:

*SD Goal 1.* End poverty in all its forms everywhere: SEZA programs seek to attract both local and foreign private investments consequently creating employment opportunities, increasing household incomes, and therefore contribute to reducing poverty.

*SD Goal 2.* End hunger, achieve food security and improved nutrition and promote sustainable agriculture: Through identification, prioritization, development, and aggressive marketing of bankable projects in value chains such as rice, tea, edible oils among others and the agriculture sector in general, SEZA is expected to immensely contribute to increased food production and reduced hunger.

*SD Goal 3.* Ensure healthy lives and promote well-being for all at all ages: By aggressively marketing bankable investment projects in the health sector such as manufacturing of pharmaceutical products, SEZA will contribute to healthy lives and well-being directly through affordability of health products and indirectly through increased incomes.

*SD Goal 8.* Promote inclusive, and sustainable economic growth, productive employment, and decent work for all: SEZA programs seek to market Kenya in targeted destinations and attract both local and foreign private investments consequently creating employment opportunities. In addition, development and operationalization of economic zones spurs investments for job creation as a result contributing to increased production and economic growth.

*SD Goal 9.* Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation: SEZA programs contribute to sustainable industrialization through attraction of investors to set up industries in Kenya's various sectors, setting up of economic zones where investors are incentivized and through investor aftercare.

*SD Goal 13.* Take urgent action to combat climate change and its impacts: Through this, plan, SEZA seeks to prioritize promotion of green investments to contribute to combating climate change

*SD Goal 17.* Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development: Through strengthened constructive engagements with both local and foreign Business Management organizations (BMOs) as

well as international investments and Trade organizations such as UNCTAD, World Economic Forum, UNIDO, AFCFTA, as well as the SEZA contributes to revitalization of Global partnerships for sustainable development in Kenya.

### 1.2.2 African Union Agenda 2063

This is Africa's development blueprint that aims to achieve inclusive growth and sustainable socioeconomic development over a 50-year period (2013-2063). SEZA programs will contribute to the achievement of the following aspirations:

*Aspiration No. 1:* A Prosperous Africa Based on Inclusive Growth and Sustainable Development.

*Goal 1.5* Modern Agriculture for Increased Productivity and Production: Through identification, prioritization, development, and aggressive marketing of bankable projects in value chains such as rice, tea, edible oils among others and agriculture sector in general SEZA is expected to immensely contribute to increased agricultural production and productivity directly through the Livestock and Agricultural schemes.

*Goal 1.7* Environmentally Sustainable Climate and Resilient Economies and Communities: Through this, plan, SEZA seeks to prioritize promotion of green investments to contribute to combating climate change.

*Aspiration 6:* An Africa Whose Development is People-Driven, Relying on the Potential of African People, especially its Women and Youth.

*Goal 6.2* Engaged and Empowered Youth and Children: SEZA programs seek to market Kenya in targeted destinations and attract both local and foreign private investments consequently creating employment opportunities for the youth in Kenya whom according to statistics form most of the unemployed population.

### 1.2.3 East Africa Community Vision 2050

The EAC Vision 2050 focuses on development pillars and enablers that will create jobs to absorb the expected expansion of workforce during the duration of the Vision 2050. The Plan will contribute to the achievement of objectives of the following pillars of the Vision:

1. **Industrialization:** SEZA programs contribute to sustainable industrialization through attraction of investors to set up industries in Kenya's various sectors, setting up of economic zones where investors are incentivized and through investor aftercare.
2. **Agriculture, food security and rural economy:** Through identification, prioritization, development, and aggressive marketing of bankable projects in

value chains such as rice, tea, edible oils among others and agriculture sector in general, SEZA is expected to immensely contribute to increased food production and reduced hunger.

3. **Natural resource and environment management:** Through this, plan, SEZA seeks to prioritize promotion of green investments to contribute to combating climate change.

#### **1.2.4 The Constitution of Kenya**

The Constitution of Kenya, 2010 is alive to the economic and social needs and rights of Kenyans. This is stipulated in chapter four of the Bill of Rights as an integral part of Kenya's democratic state and as the framework for social, economic, and cultural policies. Section 43 of chapter four further articulates the economic and social rights of every citizen of Kenya. It is in the spirit of meeting these requirements of the constitution of Kenya that the State aspires to grow the economy of Kenya through investment, industrialization, creation of jobs and subsequent establishment of special economic zones. SEZA is at the centre of addressing these economic needs.

#### **1.2.5 National Agenda**

##### **1.2.5.1 Kenya Vision 2030**

The Kenya Vision 2030 seeks to transform Kenya into a newly industrializing, middle-income country providing a high-quality life to all its citizens by the year 2030. The Vision identifies attraction of investments, both locally and internationally as one of the key drivers for economic growth in the country.

##### **1.2.5.2 The Fourth Medium Term Plan (MTP IV)**

The Fourth Medium Term Plan on implementation of the Kenya Vision 2030 identified two programs namely: Business and Investment Climate Reforms; and Investment attraction, retention, facilitation, and enablement as key enablers aimed at setting stage for increased domestic and foreign investments.

##### **1.2.2.3 Bottom-up Economic Transformation Agenda (BETA)**

The Authority plays a key role in the implementation of the Bottom-up Economic Transformation Agenda (BETA) through creating an enabling environment for attracting investments and identification, prioritization and development of county based Special Economic Zones focusing on available product clusters and value chains.

### 1.2.6 Sector Policies and Laws

The formulation of strategies in this plan will in addition to other factors be guided by the following policies and laws:

1. **National Investment Policy 2019:** The Policy aims at supporting and stimulating private sector development by attracting high value added and inclusive investment that contributes to the country's economic diversification and ultimately to sustainable development. This plan therefore will prioritize strategies geared towards development of bankable investment projects and targeted marketing of the same.
2. **Investment Promotion Act, 2004:** The Act seeks to promote and facilitate investment by assisting investors in obtaining the licenses necessary to invest and provide other assistance and incentives for related purposes. The Plan will therefore lay emphasis on investor facilitation by increasing efficiency in licensing and enhancing investor aftercare.
3. **Special Economic Zones Act 2015:** The Act provides for the establishment of Special Economic Zones (SEZs) in the Country, a flagship project under the Economic Pillar of the Vision 2030. The SEZ Programme is designed to improve Kenya's competitiveness as an investment destination. Through the SEZs, Kenya aims to boost competitiveness by ensuring regulatory and administrative predictability, quality industrial infrastructure and market access.

The plan will therefore prioritize fast tracking development and operationalization of Special Economic Zones in the country.

### 1.3 History of SEZA

Kenya VISION 2030 adopted a Special Economic Zones (SEZs) policy as one of its major economic growth and development pillars. They are aimed at attracting investors and investments to Kenya's manufacturing sector, one of six priority sectors identified under the country's economic pillar for growth. In addition to upscaling manufacturing, and trade, the SEZs are seen as vehicles for generating employment, promoting exports and export-oriented growth, and enhancing value addition in agriculture, fisheries, and livestock.

To facilitate the SEZ policy objectives, the government enacted a law, the Special Economic Zones Act 2015, to provide the legal and institutional framework for the establishment and operation of SEZs in the country. The legislation of economic policy usually creates a level of certainty and regulatory transparency, and generates confidence in the government's commitment to the programme.

The current SEZ scheme is not the first incentive regime the government of Kenya has adopted for the purpose of promoting industrial production and exports; it is only the latest in a string of schemes with which the country has experimented in the last five decades. Since the 1970s, successive Kenyan governments have introduced a Manufacturers' Export Compensation scheme, a Manufacturing Under Bond (MUB), Export Processing Zones (EPZs) and Export Promotion Programmes Office. Other schemes proposed but not implemented include the Export Credit Insurance and Guarantee and the Green Channel scheme proposed under Kenya's Development Plan for 1989-93.

The earlier schemes mentioned above did not generate significant economic impact as had been hoped. The current SEZs experiment is partly a response to the disappointing record of most, if not all, of those failed earlier schemes. The government of Kenya had initially sought to emulate the Chinese SEZ model of establishing large-sized zones with a broad scope of activities including EPZs, where it could easily centralize infrastructure development as well as the institutional body that would facilitate the zones' operational freedom. However, at the start of the implementation phase the government opted to change strategy and has retained its existing EPZ scheme, institutions, and related legislative incentives. Other developing countries, such as India, which adopted aspects of the Chinese SEZ, opted to overhaul their struggling EPZs by merging them into their newly implemented SEZ scheme to improve the programme. Following the adoption of the EAC SEZ policy, the SEZ program seems to have taken a foothold in East Africa as a panacea to industrialization.

#### **1.4 Methodology of developing the strategic plan**

The Issuance of 5th Generation Strategic Plan Guidelines by the State Department for Economic Planning set the stage for development of this Plan. The process began with the establishment of a technical committee on the development of the SEZA Strategic Plan, 2023-2027. The committee comprised of members from all the Authority directorates and units. The committee conducted desk reviews in consultation with all the key stakeholders and commenced the drafting of the Plan. Documents reviewed by the technical committee included the Constitution of Kenya, Kenya Investment Policy 2019, National Investment Act 2004, Special Economic Zones Authority Act 2015, Export Processing Zones Authority Act 1990, The Bottom-Up Economic Transformation Agenda (BETA), the draft strategic plan for the State Department for Investment Promotion and the Ministry of Trade, Investments and Industry, Strategic Plan 2023-2028 among others. The first draft strategic plan was presented to Heads of Directorates for input to ensure that sectoral priorities will be well addressed.



The State Department for Economic Planning issued Revised Guidelines for Preparation of the Fifth Generation Strategic Plans, 2023-2027. The guidelines integrate the priorities Bottom-Up Economic Transformation Agenda (BETA), provides a basis for effective implementation of the Fourth Medium Term Plans (MTP IV) and addresses the evolving landscape and the challenges posed by the new economic dynamics requiring institutions to adopt ethos of delivering as one in the strategic plan efforts. This necessitated the SEZA to develop a Zero Draft Strategic Plan 2023/2024 - 2027/2028 to align with the revised guidelines.

The revised guidelines introduced changes to the structure and content of the strategic plan; to address the changes, the technical committee held a working retreat in December 2024 and developed the second draft. The draft was presented to HODs for concurrence. A sensitization workshop for all staff of SEZA was undertaken to ensure that they all capture the vision of SEZA. A one-day stakeholder sensitization meeting was held to obtain views from key stakeholders. The Draft was finalized and published for implementation with support from State Department for Investment Promotion.

## CHAPTER TWO: STRATEGIC DIRECTION

This chapter provides a detailed description of the mandate, vision, mission, strategic goals, and core values of the Authority during the Strategic Plan period. A quality policy statement demonstrating SEZA's commitment to its customers while implementing this plan is also contained in this chapter.

### 2.1 Mandate of SEZA

The Special Economic Zones Authority (SEZA) was established as a statutory body under the Special Economic Zones Act No. 16 of 2015. It was created with the aim of promoting and facilitating investments in Special Economic Zones (SEZs) in Kenya. SEZ regime has expanded its scope to include the Export Processing Zones as one of its schemes, the development of infrastructure and management of SEZs across the country.

SEZA's mandate is to promote, coordinate, and facilitate the development and operation of SEZs in Kenya. SEZs are designated areas that offer various incentives, infrastructure, and business support services to attract both domestic and foreign investments. The authority plays a vital role in driving economic growth, creating employment opportunities, and enhancing industrialization in the country.

The key functions and responsibilities of SEZA include:

- i. **Policy Development:** SEZA is responsible for formulating policies and strategies related to the development, management, and regulation of SEZs in Kenya. It collaborates with relevant stakeholders to ensure a conducive business environment within the SEZs.
- ii. **Investment Promotion:** SEZA actively promotes SEZs as investment destinations both locally and internationally. It engages in marketing activities, organizes investment forums, and provides information and assistance to potential investors.
- iii. **Licensing and Regulation:** SEZA grants licenses to developers, operators, and enterprises within SEZs. It establishes and enforces the necessary rules, regulations, and guidelines to govern the activities of SEZs and ensure compliance.
- iv. **Infrastructure Development:** SEZA coordinates the development of necessary infrastructure within SEZs, including utilities, transportation networks, and industrial parks. It collaborates with relevant government agencies and private sector partners to provide high-quality infrastructure to attract investments.
- v. **Investor Support Services:** SEZA offers a range of support services to investors within SEZs, including facilitation of land acquisition, provision of business development services, and assistance with permits and licenses. It aims to create a

business-friendly environment and enable investors to establish and operate their businesses smoothly.

- vi. **Monitoring and Evaluation:** SEZA monitors the performance and compliance of SEZs, developers, and enterprises within the zones. It assesses the impact of SEZs on the economy, tracks investments and job creation, and evaluates the effectiveness of incentives and policies.
- vii. **Collaboration and Partnerships:** SEZA collaborates with relevant government ministries, agencies, and other stakeholders to create synergies and foster partnerships that support the development and growth of SEZs. It engages with international organizations and foreign governments to attract foreign direct investment into SEZs.

Through its comprehensive mandate, SEZA aims to position Kenya as a competitive investment destination, stimulate industrial development, create employment opportunities, and drive economic growth. It plays a critical role in realizing the country's vision of becoming a newly industrializing upper middle-income country by 2030 and contributes to the achievement of national development goals.

## **2.2 Vision Statement**

SEZA envisions a future where Kenya's special economic zones are internationally recognized hubs of innovation, productivity, and competitiveness. Thus, the vision of the Special Economic Zone Authority (SEZA) is;

*“Globally competitive investment hubs for economic transformation”*

## **2.3 Mission Statement**

SEZA aims to create an enabling environment, provide world-class infrastructure, and facilitate the growth of export-oriented industries, fostering job creation, technology transfer, and overall economic transformation through strategic planning, investment facilitation, and a conducive business environment, SEZA aims to create vibrant and globally connected zones that contribute significantly to Kenya's economic prosperity and social well-being.

The mission of the Special Economic Zone Authority (SEZA) is therefore;

*“To create a conducive environment for a globally competitive and sustainable investment destination through provision of enabling infrastructure, policy, legal and institutional framework for economic transformation.”*

## **2.4 Strategic Goals**

Strategic themes for the Authority are:

1. To enhance Investment Promotion and Facilitation: The first strategic theme focuses on promoting and facilitating investments within the Special Economic Zones (SEZs) in Kenya. This includes developing effective investment promotion strategies, engaging with domestic and international investors, providing streamlined processes for licensing and permits, and offering comprehensive support services to facilitate investments.
2. To facilitate Infrastructure Development and Connectivity: The second strategic theme revolves around the development of robust infrastructure within the SEZs to attract investments and enable businesses to thrive. This includes the establishment of reliable utilities, transportation networks, industrial parks, and digital infrastructure. Emphasis is placed on ensuring seamless connectivity within and outside the SEZs to foster efficient movement of goods, services, and information.
3. To implement Sector-Specific Specialization: This strategic theme focuses on promoting sector-specific specialization within the SEZs. It involves identifying key sectors with high growth potential and providing tailored incentives, infrastructure, and support services to attract investments in those sectors. This may include sectors such as manufacturing, agriculture and Agro-processing, technology and innovation, logistics, tourism, and financial services.
4. To promote Innovation and Technology Advancement: The fourth strategic theme centres around fostering innovation, research, and technology advancement within the SEZs. This involves creating an ecosystem that supports research and development activities, promoting collaboration between businesses, universities, and research institutions, and incentivizing the adoption of emerging technologies. The aim is to enhance competitiveness, productivity, and value addition within the SEZs.
5. To facilitate Job Creation and Skills Development: Job creation and skills development are critical aspects of the SEZs. This strategic theme focuses on attracting investments that generate employment opportunities, particularly for the local population. It also includes initiatives to enhance skills development, vocational training, and entrepreneurship within the SEZs to ensure a skilled workforce that meets the needs of the industries operating within the zones.
6. To enable Sustainability and Environmental Stewardship: The sixth strategic theme emphasizes sustainable development practices and environmental stewardship within the SEZs. This includes promoting green technologies, resource efficiency, waste management, and renewable energy adoption. It also involves integrating social and environmental considerations into the planning, operation, and management of the SEZs to minimize negative impacts and enhance long-term sustainability.

7. To develop Collaborations and Partnerships: The final strategic theme focuses on fostering collaboration and partnerships between the Authority, government entities, private sector organizations, academic institutions, and other relevant stakeholders. This includes creating platforms for knowledge sharing, leveraging resources and expertise, and forging alliances to drive the growth and success of the SEZs. Collaboration with international partners is also encouraged to attract foreign direct investment and promote global integration.

SEZA shall be driven by the desire to achieve the following strategic goals:

- i. Enhance investments into the SEZs
- ii. Enhance SEZ integrated infrastructural development
- iii. Strengthen Legal and regulatory Framework for investment into SEZ
- iv. Enhance the institutional capacity

By addressing these strategic goals, the Authority can create an enabling environment for investments, stimulate economic growth, drive industrial development, and contribute to the overall socio-economic transformation of Kenya.

## 2.5 Core Values

To effectively execute the mandate, the Authority is to be guided by standards of behaviour that inform the core values as captured in table 2.1.

**Table 2.1: SEZA’s Core Values**

	Value	Description
1.	Excellence	SEZA strives for excellence in all its endeavours, aiming for high-quality standards, professionalism, and continuous improvement in its services and operations.
2.	Transparency	SEZA values transparency and upholds integrity in its decision-making processes, ensuring accountability and trust among stakeholders
3.	Collaboration	SEZA recognizes the importance of collaboration and partnerships with various stakeholders, including government agencies, investors, local communities, and industry players, to foster a conducive environment for economic growth and development
4.	Innovation	SEZA facilitates innovation and embraces creative solutions to drive economic transformation, supporting the adoption of new technologies, research and development, and the promotion of entrepreneurial activities within its special economic zones.

5.	Sustainability	SEZA emphasizes sustainable development, promoting environmentally responsible practices, social inclusivity, and long-term economic viability to create lasting benefits for communities and future generations.
6.	Investor-Focused	SEZA places a strong emphasis on meeting the needs and expectations of investors. It aims to provide a supportive and facilitative environment for investors, ensuring their success and fostering long-term partnerships
7.	Empowerment	SEZA believes in empowering local communities by creating opportunities for employment, skills development, and the growth of local industries within the special economic zones. It aims to maximize the positive social and economic impact of its activities

## 2.6 Quality Policy Statement

SEZA is committed to provide quality services to any investors. The implementation of the quality policy will be monitored to generate feedback for continuous improvement in service delivery. The Quality Policy principles and objectives shall be communicated and made available to all members and staff as well as any stakeholders.

## CHAPTER THREE: SITUATION ANALYSIS AND STAKEHOLDER ANALYSIS

This chapter provides an analysis of the Authority's working environment to inform strategic choices for planning period 2022/2023– 2027/2028. Details of the situational and stakeholder analyses are presented below:

### 3.1 Situational Analysis

The foundation of strategic planning is in conducting environmental scanning. This entails analyzing both internal and external environment in which the authority operates. The exercise of scanning the environment enables SEZA to fully understand factors that dictate the way the organization conducts its business. These factors include internal strengths and weaknesses as well as external opportunities and threats. It also includes analyzing the political, economic, social, technological, ecological, and legal factors. Again, the situational analysis may not be complete without evaluating the stakeholders and their expectations.

#### 3.1.1 External Environment

The external environment comprises the opportunities and threats facing SEZA as well as PESTEL (Political, Economic, Social, Technological, Environmental, and Legal). The essence of conducting external environment scanning is to enable the authority to take advantage of the emerging opportunities as it neutralizes its threats.

##### 3.1.1.1 Macro-Environment

The macro-environment factors that impact SEZA together with the corresponding descriptions are outlined in **table 3.1**. The Tool that was used is PESTEL (Political, Economic, Social, Technological, Environmental, Legal).

**Table 3.1: Summary of the PESTEL Factors and Detailed Description**

Category	Factor	Description
Political	Political Stability	Kenya has a stable political environment evidenced by successive peaceful democratic national elections with the last election held in 2022. This political stability is expected to persist throughout the 2023-2027 strategic planning period and beyond. The predictability of our

Category	Factor	Description
		political environment gives confidence to investors for long-term investments which also boosts our status as a reliable gateway to the continent.
	<b>Political Goodwill</b>	There have been favourable pronouncements both locally and internationally by the President of the Country, County Governments, and other international strategic partners on the Special Economic Zones Program.
	<b>Devolution</b>	The enactment of the 2010 constitution established a devolved structure of governance which is the national government and county government. The decentralization of governance and resources to county levels is a critical aspect of the country's political landscape. Counties have therefore emerged as key players in the implementation of the SEZ program. Additionally, SEZs have been identified as key initiatives in driving the economic agenda of the regional county economic blocs.
	<b>Regional and Continental Integration (Cooperation by the Partner States)</b>	Kenya has been providing leadership in regional and continental integration efforts and is an active member of EAC, COMESA and AfCFTA. Previously, the SEZ program was not recognized by the East African Community. The EAC has since recognized the program and has initiated the process of establishment of a legal instrument to drive its implementation. At the continental level, under the AfCFTA, the goods emanating from SEZs are now also recognized under the rules of origin.
	<b>Global Geopolitical Environment</b>	The global geopolitical scene is changing through emerging alliances mainly influenced by political and economic interests. There is significant involvement of African countries and more so Kenya in shaping global policies in areas of security, climate change and sustainability such as our successful bidding for a non-voting UN Security Council seat.



Category	Factor	Description
Economic	<b>Multilateral and Bilateral Trade agreements</b>	Kenya has over the years signed several trade and investment agreements, with an aim of attracting investments, expanding and diversifying markets for Kenyan products. These trade agreements facilitate the ease of movement of Kenyan produced goods and services and they eliminate barriers to trade and investment and facilitate stronger trade and commercial ties between participating countries. The SEZ Kenya program anchors its investors within these agreements and provides a gateway to accessing the expanded market.
	<b>Resource Constraints &amp; Austerity measures</b>	Funding of onsite and offsite infrastructure is critical to the implementation of the SEZ program. The austerity measures recently adopted by the government have impacted the progress of the program negatively.
	<b>Fiscal Policy Tax Regime</b>	Expansionary or contractionary fiscal policies which affect tax rates leading to changes in benefit pay-outs and returns on investment The Kenya SEZ program is anchored on a favourable Tax Regime, where specific tax incentives are provided to SEZ investors. These incentives are prescribed in their respective tax laws. Predictability of these tax incentives is critical for onboarding, operation and retention of investors within the program.
	<b>Globalization</b>	Kenya is part of the global village, its economy is highly susceptible to international shocks, business trends and competition. Currently, recent developments within the global sphere such as ongoing global conflicts, volatile oil prices and supply chain disruptions influence investment trends.
	<b>Foreign exchange fluctuations</b>	Foreign exchange fluctuations affect the level of attractiveness of the country to potential investors.
Social	<b>Demographic changes Demographics</b>	The 2019 Kenya Population and Housing Census identified the Youth as the majority demographic group. Kenya has a youthful, skilled, well-educated, innovative and enterprising workforce pool. This serves as an advantage to tailoring

Category	Factor	Description
		investment strategies that capitalizes on its demographic dividend in driving sustainable economic growth and social stability which underpins the BETA agenda.
	<b>Social Activism</b>	The role of social responsibility and activism in Government affairs is increasing through civil society and stakeholder involvement in the management and development of public resources. This is enshrined in the 2010 Constitution under the Bill of Rights (Chapter 4). The Authority must continuously engage stakeholders as part of its operations.
	<b>Global Labour Mobility</b>	Global labour mobility is crucial for understanding workforce dynamics. International labour migration trends can guide strategies for attracting skilled professionals and adapting to the changing nature of the global workforce. The Kenya Government signed bilateral agreements with multiple countries on labour mobility. This trend is likely to continue in the planning period providing a platform for developing more linkages with investors from the diaspora.
	<b>Cultural Heritage</b>	The richness of Kenya's cultural heritage provides a basis for investment in tourism and local creative arts. Economic potential of cultural assets, such as historical sites and traditional arts encourages investment in sectors that promote both cultural preservation, exchange, enhancement and economic growth.
	<b>Public Health</b>	Increased risks from global pandemics, disease resistance and new disease risks from climate change effects has necessitated the need for vaccines and drugs. This coupled with our regional status as a tropical diseases research and diagnostic centre, has attracted organizations such as WHO and UN Humanitarian Hubs demonstrating our capabilities in the global bio-pharmaceutical ecosystem.
	<b>Social Stability &amp; Security</b>	The government recognizes security and social stability as a critical lever for investor confidence and economic growth which is of strategic national importance. The Government has put in

Category	Factor	Description
		various measures to promote social stability and ensure security which include securing borders, critical infrastructure, community policing and recognizing SEZs as areas of strategic national importance.
Technology	<b>Technological Advancements</b>	Investment opportunities are emerging within the digital space, with technological disruptions in the business environment directly impacting traditional ways of doing businesses. Investor interest in the ICT sector is growing, particularly in Business Process Outsourcing, Data Centres, and ICT Centres. Understanding the dynamics of technological disruption will enable the Authority to develop agile strategies that allow SEZs to adapt and thrive in the face of change.
	<b>ICT Infrastructure</b>	Technological innovations in the Fourth Industrial Revolution offer an exciting future for international trade and investment. Kenya boasts of 6 highspeed undersea internet cables that connect it to the rest of the world, demonstrating the Government's commitment to supporting efforts in information and technology transfer and innovation. It also serves as a critical ICT gateway into East Africa, creating a thriving digital communications ecosystem that the Authority is supporting through critical data infrastructure and the emerging data sector such as Artificial Intelligence, Robotics and Data analytics.
	<b>Digitalization</b>	The Government has prioritized the expansion of (ICT) services in Kenya, with internet connectivity being a key pillar of digitalization. The automation of Government services will lead to improved service delivery and ease of doing business. The Government has also liberalized the Spectrum to allow for inclusive competition in the communication sector, that would greatly benefit SEZ investors and service providers.
Ecological	<b>Climate Change</b>	Changes in the global climate pattern and the increasing frequency of extreme weather events makes business logistics and value chains to become more vulnerable to disruptions. Impacts

Category	Factor	Description
		on agriculture and manufacturing negatively affect trade and investments. Participating in adaptation and mitigation efforts on climate change as a country is primarily driven by sustainable growth initiatives and practices that also underpin the SEZ program's sustainability principles.
	<b>Sustainable Development Goals (SDGs)</b>	There has been an increase in the number of bilateral and regional trade agreements (RTAs), and a significant number of the world's states are parties to such agreements. Kenya's commitment to global efforts in addressing climate change, as evidenced by its participation in international agreements and conventions enhances the country's image and positions it as an environmentally conscious investment destination. The SEZ program is party to these agreements as a primary sustainable development, investment and manufacturing promoter.
	<b>Circular Economy and Green Manufacturing</b>	The global trend towards a circular economy and green manufacturing highlights the value of preserving natural ecosystems. Kenya has participated in global efforts to balance economic growth with environmental sustainability through green energy sources, green manufacturing and carbon-neutral economies. The Government is in the process of developing a strategy on green manufacturing. As part of the Authority's commitment to sustainable growth, Kenyan SEZs have been recognised as ESG model zones, and the program has attracted green investment as a promoter of our predominantly green energy grid.
	<b>Blue Economy Resources</b>	Blue economy resources are essential for harnessing the potential of oceans and water bodies. Sustainable practices in the blue economy inform strategies for responsible and profitable investments. There is potential for onshore and offshore investment in the blue economy anchored on SEZs.
<b>Legal</b>	<b>Policy and legal framework</b>	The legal and policy framework anchoring the SEZA may have gaps, be outdated or conflict with

Category	Factor	Description
		other regulations/policies. This presents challenges in implementing the mandate.
	<b>The Constitution</b>	The Constitution of Kenya 2010, which is the supreme law, together with various enabling legislations provide a framework for governance and legal principles. This provides clear and well-defined laws and regulations that provides investors certainty while investing in the country. The Constitution further provides for clear separation between the Arms of Government. While the laws are enacted through legislature, and recourse can be referred to the judiciary for review. The Government, consistent with the constitution, has enacted relevant laws to administer and develop the SEZ program in Kenya.
	<b>National and Devolved Government</b>	The 2010 Constitution of Kenya provides for Devolved Government. Arising out of this, there is cordial coordination between national and devolved governments that creates a clear rule of law.
	<b>Legislative Synergy</b>	The country has a vibrant legislative structure constituting the National Assembly, the Senate and the County Assemblies. These legislative organs of Government are responsible for establishing a robust legal and regulatory environment for the SEZ program.
	<b>Membership to international and regional organizations</b>	Kenya is a member of various organizations as part of its commitment to facilitate investment., This include AfCFTA, COMESA, EAC, AGOA, EPA with policy development at EAC level.  This includes the Multilateral Investment Guarantee Agency (MIGA), African Trade Insurance Agency (ATI) that facilitate trade.  For ease of settlement of investment disputes, Kenya is also a member of the International Centre of Settlement of Investment Dispute (ICSID) and Kenya's dispute resolution legislation, including The Arbitration Act mirrors international Standards.

Category	Factor	Description
		To promote regional and international collaboration, Kenya is a member of the Africa Economic Zones Organisation (AEZO) and a member of the World Free Zones Organisation. Kenya has also entered a number bilateral and multilateral arrangements for the benefit of investors
	<b>Supporting Agencies</b>	Delays that are because of legally mandated processes by the agencies

### 3.1.1.2 Micro-environment

The following are some of the micro-environmental factors that are currently affecting the strategic direction of SEZA's operating environment; labour markets, trade unions, customer profiles, creditors, suppliers and regulatory and other statutory agencies

### 3.1.2 Summary of Opportunities and Threats

Based on the analysis of the external environment, the summary of the emergent opportunities and threats are outlined below in **table 3.2**.

**Table 3.2: Summary of Opportunities and Threats**

Environmental factor	Element	Opportunities	Threats
<b>Political</b>	<b>Political Stability</b>	<ul style="list-style-type: none"> <li>Investor Certainty</li> <li>Predictable investment climate</li> <li>Market stability</li> </ul>	<ul style="list-style-type: none"> <li>Government Transitional lag</li> </ul>
	<b>Political Goodwill</b>	<ul style="list-style-type: none"> <li>Budgetary Support</li> <li>Legislative Support</li> <li>Increased Visibility</li> </ul>	<ul style="list-style-type: none"> <li>Political interference</li> </ul>
	<b>Devolution</b>	<ul style="list-style-type: none"> <li>Land availability</li> <li>Inclusive growth</li> <li>Availability of Resources</li> </ul>	<ul style="list-style-type: none"> <li>Increased Bureaucracy</li> </ul>
	<b>Regional and Continental Integration (Cooperation by the Partner States)</b>	<ul style="list-style-type: none"> <li>Enhanced Market Access</li> <li>Increased Visibility</li> <li>Expanded investor pool</li> </ul>	<ul style="list-style-type: none"> <li>Disruption of market access due to political squabbles</li> <li>Slow decision-making &amp; bureaucratic challenges</li> </ul>
	<b>Global Geopolitical Environment</b>	<ul style="list-style-type: none"> <li>Resource support</li> <li>Expanded market</li> <li>Expanded investor pool</li> </ul>	<ul style="list-style-type: none"> <li>Exposure to increased Security Risks</li> </ul>

Environmental factor	Element	Opportunities	Threats
Economical	Multilateral and Bilateral Trade agreements	<ul style="list-style-type: none"> <li>Expanded market with preferential treatment of SEZ goods</li> <li>Increased Investment opportunities</li> <li>Broader Sector span</li> <li>Guaranteed market access</li> </ul>	<ul style="list-style-type: none"> <li>Competition, and non-tariff barriers (NTBs)</li> </ul>
	Tax Regime	<ul style="list-style-type: none"> <li>Lower cost of investment</li> <li>Competitive investment environment</li> </ul>	<ul style="list-style-type: none"> <li>Unpredictability of the incentives if not enacted into law (need to ensure incentive package is crafted into law)</li> </ul>
	Resource Constraints & Austerity measures	<ul style="list-style-type: none"> <li>Alternative funding to fill existing gaps</li> </ul>	<ul style="list-style-type: none"> <li>Delayed investment attraction</li> <li>Delayed Zones development</li> </ul>
	Globalization	<ul style="list-style-type: none"> <li>Expanded Markets</li> <li>Increased Knowledge &amp; Technology exchange</li> <li>Expanded investor pool</li> </ul>	<ul style="list-style-type: none"> <li>Unfair market practices</li> </ul>
Social - Cultural	Social Activism	<ul style="list-style-type: none"> <li>Positive Perception</li> </ul>	<ul style="list-style-type: none"> <li>Disruptions to investment</li> </ul>
	Demographics	<ul style="list-style-type: none"> <li>Young, highly-educated, skilled and vibrant workforce</li> <li>Access to Innovation and entrepreneurial support</li> <li>Fairly competitive labour cost</li> </ul>	<ul style="list-style-type: none"> <li>Unemployment</li> <li>Social instability</li> </ul>
	Global Labour Mobility	<ul style="list-style-type: none"> <li>Provision of alternative avenue to engage the youth in gainful employment</li> </ul>	<ul style="list-style-type: none"> <li>A threat brain drains</li> </ul>
	Cultural Heritage	<ul style="list-style-type: none"> <li>Leverage cultural heritage for investments in tourism.</li> <li>Increased opportunities for value addition to cultural products</li> </ul>	<ul style="list-style-type: none"> <li>Cultural heritage is being diluted</li> <li>Heritages can be branded and promoted -patented by foreigners</li> </ul>

Environmental factor	Element	Opportunities	Threats
	<b>Public Health</b>	<ul style="list-style-type: none"> <li>Increased investment in medical value-chains</li> </ul>	<ul style="list-style-type: none"> <li>Emergence of Pandemics</li> </ul>
	<b>Social Stability &amp; Security</b>	<ul style="list-style-type: none"> <li>Investor confidence</li> </ul>	<ul style="list-style-type: none"> <li>Investor flight</li> </ul>
<b>Technological</b>	<b>ICT Infrastructure</b>	<ul style="list-style-type: none"> <li>Investor Attraction in ICT related sectors</li> <li>Robust ICT Clusters</li> </ul>	<ul style="list-style-type: none"> <li>Increased electronic Waste</li> <li>Cyber Security Threats</li> </ul>
	<b>Technological Advancements</b>	<ul style="list-style-type: none"> <li>Investment opportunities in development of technological capacities</li> </ul>	<ul style="list-style-type: none"> <li>High costs of adopting new technologies</li> <li>Loss of jobs to automation and AI</li> </ul>
<b>Ecological</b>	<b>Climate Change</b>	<ul style="list-style-type: none"> <li>Access to Adaptation and Mitigation Financing</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions</li> </ul>
	<b>Global Commitments to Sustainable Development</b>	<ul style="list-style-type: none"> <li>Attraction of ESG based financing</li> <li>Global recognition as a champion for sustainable SEZs and products</li> </ul>	<ul style="list-style-type: none"> <li>Dumping of substandard goods and waste</li> </ul>
	<b>Circular Economy and Green Manufacturing</b>	<ul style="list-style-type: none"> <li>Increased investment in green manufacturing</li> <li>Green Infrastructure</li> <li>Carbon Credit Participation</li> </ul>	<ul style="list-style-type: none"> <li>Higher costs of green manufacturing processes</li> <li>Inadequate understanding on carbon credit markets</li> </ul>
	<b>Blue Economy Resources</b>	<ul style="list-style-type: none"> <li>Harnessing financial resources in the blue economy</li> <li>Development of value addition of blue economy investments.</li> </ul>	<ul style="list-style-type: none"> <li>Habitat destruction in blue resources</li> <li>Capacity and infrastructure limitations to support blue investments</li> </ul>
<b>Legal</b>	<b>The Constitution</b>	<ul style="list-style-type: none"> <li>Certainty to investors on applicable laws</li> <li>Clear regulatory protection including unfair competition, standards regulations</li> </ul>	<ul style="list-style-type: none"> <li>Numerous compliance requirements</li> <li>Delays because of activism</li> <li>Increased litigation due to Bill and freedom rights</li> </ul>



Environmental factor	Element	Opportunities	Threats
	<b>National and Devolved Government</b>	<ul style="list-style-type: none"> <li>Expanded investor opportunities</li> <li>Increased resource availability including land</li> </ul>	<ul style="list-style-type: none"> <li>Lack of clarity on national vs. devolved functions</li> </ul>
	<b>Treaties and Conventions</b>	<ul style="list-style-type: none"> <li>Increased market access</li> </ul>	<ul style="list-style-type: none"> <li>Lack of focus due to competitive interest</li> </ul>
	<b>Legislative Synergy</b>	<ul style="list-style-type: none"> <li>Harmonized investment climate</li> <li>Reduction of bureaucracy</li> </ul>	<ul style="list-style-type: none"> <li>Emergent issues regarding mergers</li> </ul>
	<b>Membership to international and regional organization</b>	<ul style="list-style-type: none"> <li>Best Practice and Knowledge exchange</li> <li>Enhanced publicity- Increased investor interest</li> </ul>	<ul style="list-style-type: none"> <li>Inability to vote substantively</li> </ul>

### 3.1.3 Internal Environment

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

#### 3.1.3.1 Governance and Administrative Structures

The Authority is established by the SEZ Act, No. 16 of 2015, providing it with a clear mandate to implement the SEZ program.

**Internal Policies and Regulations:** The Authority has developed and adopted various policies to support implementation of its mandate, these include: Public Finance Management Act; Public Procurement and Asset Disposal Act; Human Resource Policy and Procedure Manual; Land Use Policy; ICT Policy.

**Board of Directors:** The Authority has a fully constituted Board of Directors as per the SEZ Act, 2015, and Mwongozo guidelines. The Board is functional and meets regularly executing its mandate through four committees (Investment and Licensing Committee; Finance, Planning and Infrastructure Committee; Audit and Risk Management Committee; and Human Resource, Administration and Governance Committee). The Board has approved various policies and instruments to support the Authority's operations.

**Chief Executive Office:** The office has a substantive holder, recruited as per prescribed procedures with clear duties and responsibilities as per the SEZ Act,

2015. The tenure of the office holder as per the SEZ Act, 2015, is three years. This is less than the five-year government planning period.

**Directorates:** The Authority has eight established directorates namely; Corporation Secretary and Legal Services; Infrastructure Development, Licensing and Compliance, Business Development and Marketing, Partnership and Planning Department, Corporate Services, Supply Chain Management, and Internal Audit and Risk Assurance performing their respective functions. The Authority has 24 staff in-post against an approved establishment of 99 staff. Proposed merger of EPZ and SEZ are under review.

**Special Economic Zones:** The Authority regulates special economic zones programs in Kenya and over the years has gazetted thirty-seven (37) special economic zones and licensed fifty-six (56) enterprises worth investments of **USD 351,247,065** (Kshs. **57,741,583,823**) and **12,475** employments created. Out of the 37 gazetted zones, five (7) are public zones which are Dongo Kundu SEZ, Naivasha SEZ, Mombasa Industrial Park SEZ, Rivatex SEZ, Konza City SEZ. This shows that the Special Economic Zones program is currently private-sector driven, which plays a vital role in attracting foreign direct investment (FDI), Domestic direct investment (DDI), fostering economic growth, and creating employment opportunities.

The Authority operates the 1000-acre Naivasha SEZ which continues to attract investors including seven who were recently onboarded with investments valued at approximately Kshs. 16 billion. The SEZ requires the development of horizontal and vertical infrastructure to make it fully operational. This has however been a challenge due to slow disbursement of development funds from the exchequer.

The Authority intends to enhance its special economic zones surveillance and compliance to ensure projected investments and job creation are achieved.

**Investment Schemes:** The Authority operates ten (10) investment schemes namely: - Export Processing Zones, Free Trade Zones; Industrial Parks; Free Ports; ICT Parks; Agricultural Zones; Science and Technology Parks, Business Service Parks; Livestock Zones and Tourism and Recreational Parks. The Authority plans to review and align the schemes in line with world best practice.

### 3.1.3.2 Internal Business Processes

The following functional business processes facilitate the attainment of the Authority's mandate of the.

**Gazettement of Land:** The Authority has in place procedures for gazettement of land that includes submission of requisite documentation, board recommendation and gazettement by the cabinet Secretary. The entire process is manual and takes one hundred and fifty (150) days with a fee charge of 150 USD.

**Issuance and Renewal of SEZ Licenses (Developer, Operator and Enterprise):**

The Authority has in place procedures for issuance and renewal SEZ Developer, Operator and Enterprise licenses. This includes submission of documents by the investor and approval by the management. The entire process is digital in-line with the government efforts to onboard all its services onto the e-citizen platform, dependent on obtaining a NEMA certificate and takes 30 days. Currently the Authority charges 5000 USD and 1000 USD for Developer/Operator and Enterprise License respectively which is insufficient to support the Authority's operations.

**Land Leasing and land rates:** In recognition of land as a major factor of production the Authority has in place policy for leasing public land under its jurisdiction that provides conditions and procedures to guide the allocation of land in public SEZs. The Authority has a standard rate of 30% annual lease payable in the first year and USD 3000 per hectare for the subsequent years, a non-refundable one-off deposit of USD 10,000 per hectare and a service charge of 10% of the amount of rent payable which is USD 3000 per hectare.

**3.1.3.3 Resources and Capabilities**

The Authority generates A-in-A from its operations and receives exchequer funding from the National government to implement its mandate. Further, the Authority works closely with both national and county governments to acquire land for investments.

**Financial Resources:** The Authority receives exchequer support which is supplemented by A-in-A generated through licensing and land leasing to support its recurrent and development operations. This is currently inadequate, and the Authority relies on Government and development partners to support some of its basic operations.

**Human Capital:** The Authority has recruited twenty-four (24) staff in-post out of an approved establishment of ninety-nine (99). The Authority is further supported by two (2) staff deployed from Ministry of Investment, Trade, and Industry and interns under the PSIP program as well as three staff from JICA.

**Capabilities:** The Authority is a regulator with limited but experienced personnel with unique skills in gazettelement and licensing of economic zones and evaluation of DDIs and FDIs. SEZA has successfully led development of policies at the EAC level and has a strong brand in Africa that has been regionally recognized through admission to full membership of the Africa Economic Zones Organization (AEZO).

### 3.1.4 Summary of Strengths and Weaknesses

Based on the analysis of the internal environment, **table 3.3** provides a summary of strengths and weaknesses.

**Table 3.3: Summary of Strengths and Weaknesses**

FACTOR	STRENGTHS	WEAKNESSES
Governance and administrative structures	<ul style="list-style-type: none"> <li>• Clear mandate anchored in law.</li> <li>• Fully established and functional Board of Directors</li> <li>• Existing operational policies and manuals</li> <li>• Substantive Chief Executive Officer</li> <li>• Highly competent and technical team</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate staffing</li> <li>• Tenure ship of key position is not in line with PSC Guidelines</li> <li>• Non alignment of investment schemes</li> <li>• Work-life imbalance arising from under staffing</li> <li>• Slow implementation of compliance with data protection and other legal requirements</li> </ul>
Internal business process	<ul style="list-style-type: none"> <li>• Productivity and value of the land</li> <li>• Timely service delivery</li> <li>• Investor confidence</li> </ul>	<ul style="list-style-type: none"> <li>• No mechanical processes established</li> <li>• Non progressive licensing fee structure (Global competitiveness)</li> <li>• Lack of Service Level Agreements (SLAs) with collaborating agencies</li> <li>• Compliance and monitoring gaps with regards to licensees</li> <li>• Inadequate stakeholder education and awareness initiatives</li> <li>• Low level of institutional knowledge management</li> </ul>
Resources and capabilities	<ul style="list-style-type: none"> <li>• Strategic location of the head office</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate funding</li> </ul>

	<ul style="list-style-type: none"> <li>• Authority has over 1000 acres of land</li> <li>• Network of local and international development partners and private sector players</li> <li>• Positive relationship with County Governments</li> </ul>	<ul style="list-style-type: none"> <li>• Incomplete office space provisions</li> <li>• Inadequate resource mobilisation</li> <li>• Sub-optimal staffing levels</li> <li>• Risk of high staff turnover due to non-competitive remuneration to attract and retain talent</li> <li>• Inadequate ICT infrastructure and resources (management information systems)</li> <li>• Inadequate cyber security awareness</li> <li>• Non-optimal organizational structure</li> <li>• Weak communication</li> <li>• Brand Confusion</li> <li>• Weak linkages with County Government, professional bodies and BMOs</li> </ul>
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### 3.1.5 Analysis of Past Performance

This section provides a description of the key achievements, challenges and lessons learnt during the last eight years.

#### 3.1.5.1 Key Achievements

The Special Economic Zones Authority (SEZA) has made significant strides since 2015, demonstrating remarkable performance and achieving notable milestones in promoting economic growth and attracting investments. Here is an overview of SEZA's performance and achievements during this period:

- i. **Establishment of Policy and Legal Framework:** SEZA was established as a regulatory body responsible for overseeing the development and operation of special economic zones (SEZs) in the country. The authority formulated a robust legal framework, including the enactment of legislation and regulations to govern SEZ operations effectively. Others included:

- a) Draft SEZ policy of 2016;
  - b) Special Economic Zones (SEZ) Act enacted 2015 establishing the Special Economic Zone Authority (SEZA).
  - c) To operationalize the SEZ Act, SEZ regulations were passed in 2016.
  - d) SEZA submitted amendment proposal on Financial Provisions which were approved and included in the Finance Act 2023
  - e) Draft Amendments to SEZ Act has been prepared and subjected to stakeholder engagement pending submission to the Cabinet Secretary.
  - f) SEZA participated in preparation and finalization of EAC-SEZ Policy.
  - g) Participated in the development of EAC SEZ Regulations awaiting approval by the Sectoral Council on Trade, Industry, Finance, and Investment (**SCTIFI**).
- ii. **Expansion of SEZs:** SEZA spearheaded the expansion of SEZs across the country. Several new zones were established, providing a favourable environment for domestic and foreign companies to operate. These zones offered various incentives such as tax breaks, streamlined regulations, and infrastructure support. The number of declaration and gazettment of SEZs reached thirty-seven (37) in the country, out of which thirty (30) are private and seven (7) are public zones.
- iii. **Infrastructure Development:** SEZA focused on developing world-class infrastructure within the SEZs. This included constructing industrial parks, business centres, logistic facilities, power plants, transportation networks, and other necessary amenities. The improved infrastructure attracted investors and facilitated the establishment of industries in the SEZs.

#### **Zone Development Achievement (Naivasha SEZ)**

- The Authority has completed 1.56km of onsite roads
  - The Naivasha SEZ office administration block is 80% complete
  - Onsite bulk water storage is complete
  - Offsite infrastructure for bulk water supply and connection, access road and power supply substation are complete.
- iv. **Investment Attraction:** SEZA played a pivotal role in attracting both domestic and foreign direct investments into the SEZs. The authority actively engaged in marketing and promotional activities, showcasing the benefits and opportunities offered by the SEZs. This resulted in increased investor confidence and significant inflows of capital into the designated zones.
- v. **Job Creation and Skills Development:** The establishment of industries in SEZs created employment opportunities. SEZA collaborated with educational institutions and vocational training centres to provide specialized training

programs that enhanced the skills of the local workforce. This not only reduced unemployment but also improved the overall human capital of the country.

The Authority has licensed a total of 47 SEZ Enterprises in 14 gazetted zones with 10 licensed Zones having enterprises while the remaining 4 are yet to be established. These enterprises have created 4,392 jobs and contributed USD 328,779,475 (Kshs 44 billion) worth of investment.

- vi. **Diversification of Industries:** SEZA successfully encouraged the diversification of industries within the SEZs. By attracting investments across various sectors such as manufacturing, technology, tourism, agriculture, and services, SEZA contributed to the development of a more robust and resilient economy. This diversification reduced dependence on specific industries and increased economic stability.
- vii. **Export Promotion:** SEZs played a vital role in boosting exports. The establishment of export-oriented industries within the SEZs facilitated the production of goods and services for international markets. SEZA collaborated with trade promotion agencies to facilitate market access and support exporters, leading to increased export volumes and revenue generation for the country.
- viii. **Regulatory Reforms:** SEZA continuously worked on enhancing the ease of doing business within the SEZs by implementing regulatory reforms. The authority streamlined administrative processes, simplified licensing procedures, and improved the overall business environment. These reforms minimized bureaucratic hurdles and encouraged investment and entrepreneurship. Additionally, SEZA spearheaded and coordinated the development of the EAC Special Economic Zones Policy and Regulations with the assistance of JICA.
- ix. **Sustainability and Environmental Initiatives:** SEZA prioritized sustainable development within the SEZs. The authority implemented environmental regulations and promoted eco-friendly practices among businesses. This focus on sustainability ensured that economic growth in the SEZs was accompanied by responsible resource management and reduced environmental impact.
- x. **Support to County Governments:** SEZA has been working closely with devolved governments, especially the units responsible for investment promotion and facilitation. A County Investment Handbook is proposed to be developed as a capacity building tool for county governments. Moreover, every year SEZA supports and participates in several County investment forums and workshops.

- xi. **Useful Networks and Partnerships:** SEZA established strong networks and collaboration with international and local partners such as UNCTAD, UNIDO, WB/IFC, JETRO/JICA, Irish Embassy, COMESA/COMESA, and USAID East Africa Trade & Investment Hub; KCB and Equity Bank. We also hosted Oxford Business Group (OBG) which has already prepared 4 independent reports on the Kenyan economy, which have played a major role in promoting Kenya in global networks.
- xii. **African Continental Free Trade Area (AfCFTA) Ministerial Regulations:** The 11th Council of Ministers of Trade held in Gaborone, Botswana, from 11-12 February 2023 agreed on the Ministerial Regulation on SEZs to open the African market for goods made in SEZs in Africa to be traded preferentially if they meet the agreed Rules of Origin. With these agreed ministerial regulations, the Regional Economic Communities (RECs) which are the building blocks of the African Continental Free Trade Area (AfCFTA) need to engage and finalize their more liberal investor friendly SEZ policies that will make Africa the preferred investment destination in the world.
- xiii. **International Recognition:** SEZA's performance and achievements have gained international recognition, positioning the country as an attractive investment destination. The authority actively participated in global forums and engaged with international partners to promote the SEZs and establish strategic collaborations. These efforts further enhanced the country's reputation and increased its visibility on the global stage. Through SEZA, Kenya was elected to the steering committee for African Economic Zones Organization (AEZO) and to host the 2024 AEZO annual meeting.

Overall, since 2015 when the SEZ was enacted, the Special Economic Zones Authority has achieved significant milestones in promoting economic growth, attracting investments, creating employment opportunities, and diversifying industries. Through its efforts, SEZA has played a crucial role in positioning the country as a competitive player in the global economy.

### 3.1.5.2 Challenges

The following challenges were experienced during the period:

- i. Low staffing thus capacity constraint in implementing core activities.
- ii. Budget cuts and investment disbursement
- iii. Operations are largely manual
- iv. Lack of Built-up Industrial space in Public SEZs.
- v. Lack of onsite utilities and support infrastructure for Naivasha SEZ.



- vi. Slow development of OSS in SEZs
- vii. SEZ programme awareness remains low by public and government organizations
- viii. Government working in silos

### 3.1.5.3 Lessons learnt

The following are the lessons learnt.

- i. A fully operational One-Stop-Shop makes on-boarding of investors attractive and efficient than traditional regulator-based approach.
- ii. Strong aftercare services for investors ease setting-up and operational procedures.
- iii. Harmonised multi-agency approach provides an effective and efficient mechanism for zone development.
- iv. Flexible performance-based incentives such as special operating framework agreements attract more investments than the general incentives.
- v. Structured Public-Private sector dialogue engagements provide effective mechanisms for Business Climate Reforms and Transformation in the country.
- vi. Targeting anchor investors was more effective in investor attraction than conventional investment promotion initiatives
- vii. Public SEZs which are not managed by SEZA are more likely to be dormant due to lack of capacity to develop and operate SEZs.

### 3.2 Stakeholder analysis

Stakeholders are a key factor in the achievement of SEZA strategic objectives. In this regard, key stakeholders have been identified and analysed with the objective of outlining the relationships between the different stakeholders' expectations. The stakeholder analysis is summarized in **Table 3.4**.

**Table 3.6: Stakeholder Analysis**

S/No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of SEZA
1.	SEZ investors	<ul style="list-style-type: none"> <li>• To invest in the zones.</li> <li>• SEZ Infrastructure Development and Maintenance</li> <li>• Innovation and Technology Advancement</li> </ul>	<ul style="list-style-type: none"> <li>• An enabling and supportive investment environment</li> <li>• Timely issuance and renewal of licenses</li> <li>• Compliance with service charter on service delivery timelines</li> <li>• Transparency and Fairness</li> <li>• Create awareness of</li> </ul>	<ul style="list-style-type: none"> <li>• Create jobs</li> <li>• Facilitate Technology transfer</li> <li>• Value addition to resources</li> <li>• Comply with SEZ regulations</li> </ul>

S/No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of SEZA
			their rights and obligations	
2.	Ministry of Investment, Trade and Investment	<ul style="list-style-type: none"> <li>• Formulation and implementation of SEZ policies</li> <li>• Budgeting and Resource Allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Effective regulation and oversight of the SEZ sector</li> <li>• Promote investment and attraction</li> <li>• Development of special economic zones infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Timely formulation of Policies and Laws</li> <li>• Effective collaborations on policy formulation</li> <li>• Effective and timely allocation of resources</li> </ul>
3.	State Departments, Constitutional Commissions and SAGAs	<ul style="list-style-type: none"> <li>• Policy Development and Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Effective implementation of SEZ policy, legal and regulatory frameworks</li> <li>• Timely progress reports on project implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Timely formulation of Policies and Laws</li> <li>• Prompt feedback on relevant sector reports</li> <li>• Enabling SEZ policy, legal and regulatory frameworks</li> <li>• Collaboration and Synergy in Regulating</li> </ul>
4.	The Board of Directors	<ul style="list-style-type: none"> <li>• Strategic Direction and Policy Formulation</li> <li>• Governance and Oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Effective leadership and support</li> <li>• Timely reporting on key issues</li> <li>• Timely progress reports on project implementation.</li> <li>• Consultation on key decisions</li> <li>• Optimal productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Timely approval of key policy issues/budget/procurement Plan/strategic direction</li> <li>• Enhance lobbying and networking both locally and internationally</li> <li>• Overseeing the development and execution of the organization's Strategic Plan and monitoring its performance</li> </ul>
5.	Employees	<ul style="list-style-type: none"> <li>• Execution of assigned duties and responsibilities</li> <li>• Service Delivery to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Conducive and supportive work environment</li> <li>• Opportunities for career growth and development.</li> <li>• Effective communication</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal productivity</li> <li>• Adherence to institutional policies and constitutional requirements.</li> </ul>

S/No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of SEZA
			<ul style="list-style-type: none"> <li>• Provide competitive remuneration.</li> </ul>	
6.	Suppliers	<ul style="list-style-type: none"> <li>• Provision of Goods and Services</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent procurement process</li> <li>• Timely Payment of invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of Quality goods, services and works</li> <li>• Support in the implementation of programmes and projects</li> </ul>
7.	Civil Society, Non-Governmental Organizations and Associations	<ul style="list-style-type: none"> <li>• Advocacy and Policy Engagement</li> <li>• Stakeholder Representation</li> <li>• Monitoring and Accountability</li> <li>• Capacity Building and Awareness</li> <li>• Research and Knowledge Sharing</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative and Participatory Regulatory Regime</li> <li>• Consultation on key issues and decisions</li> <li>• Adherence to provisions of the Constitution</li> <li>• Protection of SEZ investors interests</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to the development of SEZ policy, legal and regulatory frameworks</li> <li>• Provide a forum for the exchange of ideas among industry stakeholders</li> <li>• Encourage their members to achieve regulatory compliance</li> <li>• Public education and awareness</li> </ul>
8.	County Governments	<ul style="list-style-type: none"> <li>• To participate in the attraction and promotion of investments in Counties</li> </ul>	<ul style="list-style-type: none"> <li>• Technical support to counties in investment promotion;</li> <li>• Comply and adhere to SEZ program requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Create enabling environment for investment in the Counties</li> </ul>
9.	National and County Legislatures	<ul style="list-style-type: none"> <li>• Legislation and Policy Development</li> <li>• Oversight and Accountability</li> <li>• Budget Approval and Resource Allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Harmonised and effective regulation and enforcement of compliance SEZ program</li> <li>• Development of policy, legal and regulatory frameworks, laws and policy</li> </ul>	<ul style="list-style-type: none"> <li>• Support and collaboration on legal and regulatory interventions</li> <li>• Collaborations in the implementation of projects and programmes</li> </ul>
10.	Judiciary	<ul style="list-style-type: none"> <li>• Adjudicating Legal Disputes</li> <li>• Interpretation of SEZ Laws</li> </ul>	<ul style="list-style-type: none"> <li>• Act fairly and impartially in its regulatory functions and decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and impartial decisions on cases involving the Authority</li> <li>• Handle cases related to the SEZ promptly</li> </ul>

S/No.	Stakeholder	Role	Expectation of the Stakeholder	Expectation of SEZA
		<ul style="list-style-type: none"> <li>Guiding Policy Development</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring resolution of consumer complaints</li> <li>Collaboration with the Judiciary on key SEZ issues</li> </ul>	<ul style="list-style-type: none"> <li>Understand the complexities and intricacies in the SEZ industry when making judgement</li> <li>Legal clarity especially where there are legal ambiguities about interpretation</li> <li>Collaboration in addressing emerging legal challenges</li> </ul>
11.	The National Treasury	<ul style="list-style-type: none"> <li>To provide favourable investment fiscal policy and funding</li> </ul>	<ul style="list-style-type: none"> <li>Prudent utilization of resources</li> </ul>	<ul style="list-style-type: none"> <li>Allocation of adequate budget and timely release of exchequer</li> </ul>
12.	Media	<ul style="list-style-type: none"> <li>Provide Feedback and Opinions.</li> <li>Disseminate Information</li> <li>Influence public opinions and create awareness</li> </ul>	<ul style="list-style-type: none"> <li>Promote initiatives to improve SEZ awareness</li> </ul>	<ul style="list-style-type: none"> <li>Ethical utilization of the SEZ information</li> <li>Responsible for content creation and dissemination</li> </ul>
13.	Learning, Training, Academia and Research Institutions	<ul style="list-style-type: none"> <li>Education and Skill Development • Research and Development • Curriculum Development • Innovation Hubs and Incubators</li> <li>Advisory and Consultancy Services</li> </ul>	<ul style="list-style-type: none"> <li>Sector skills and needs development • Collaborations in research, training, innovation and incubations.</li> </ul>	<ul style="list-style-type: none"> <li>Provide capacity building and training on SEZs</li> <li>Develop training curricula and content</li> <li>Collaborations in research, training, innovation and incubation</li> </ul>
14.	International Organisations and Affiliate Bodies	<ul style="list-style-type: none"> <li>Technical Expertise and Knowledge Sharing</li> <li>Policy Development and Harmonization</li> <li>Funding and Resource Mobilization</li> </ul>	<ul style="list-style-type: none"> <li>Alignment and effective implementation of regional and international agreements, treaties and protocols</li> <li>Share global best practices</li> </ul>	<ul style="list-style-type: none"> <li>Effective management and harmonisation of global SEZ regulations</li> <li>Share global best practices</li> <li>Promote cooperation among countries</li> </ul>

## **CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS**

This chapter outlines the Strategic Issues, Strategic Goals as well as the Key Result Areas (KRAs). It highlights the SEZA's strategic priorities over the Period 2023-2027. The strategic issues have been identified out of the analysis of the internal and external environment, the review of previous performance and national and international development priorities.

### **4.1. Strategic Issues**

Following the exercise of environmental analysis, SEZA identified emerging issues that needed the authority's attention. Key priority areas are strategic issues that call for close attention by the top management and the entire team of SEZA to address emerging environmental aspects that may cause negative effects if neglected. These are issues that if not well addressed, can derail the performance of the authority. Emanating from the key priority areas, strategic issues are strategic objectives and subsequently strategies that provide a roadmap for the future of SEZA.

#### **4.1.1 Investment Attraction**

The past years have been characterized by low investments in Kenya especially by foreign investors. SEZA is deliberately committed to attracting both local and Foreign Direct Investment (FDI). This will be realized through developing a strong brand identity, undertaking targeted investment missions, and enhancing a strong value proposition.

#### **4.1.2 Development of integrated infrastructure**

The infrastructure meant for investment in Kenya, though partially done is not well developed to the capacity of attracting and creating an enabling environment for investors. It is for this reason that SEZA makes a deliberate move to drive the development of integrated infrastructure for investment. SEZA seeks to therefore strengthen resource mobilization, drive effective project management, establish, and strengthen strategic partnerships and collaborations, and adopt the best practices for development of integrated infrastructure in SEZs.

#### **4.1.3. Policy and Legal Framework**

Policy and legal framework are a key ingredient for strengthening operations of SEZA. This lays a firm foundation upon which other building blocks stand. Having the right policy and legal framework not only provides guidelines on how SEZA operates, but also protects the Authority from external and negative forces and provides direction on how to handle such eventualities. SEZA will therefore develop strong policy and legal framework through stakeholder engagement, and by enhancing regulatory awareness.

#### 4.1.4 Institutional Capacity Development

Institutional capacity development is key to enabling the authority achieve its goals. This entails having in place the right and competent workforce and building capacity to the expected level of performance. It also includes building the right processes and systems for efficient performance of duties. SEZA is committed to building its internal capacity for stellar performance.

#### 4.2. Strategic Goals

SEZA will be driven by the desire to achieve the following strategic goals:

- i) Attract and enhance investments into the SEZs
- ii) Enhance SEZ integrated infrastructural development
- iii) Strengthen Legal and Regulatory Framework for investment into SEZs
- iv) Enhance the institutional capacity

The strategic goals are the actual desired outcomes that will be realized in addressing the strategic issues identified.

#### 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:

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**

S/No	Strategic Issue	Strategic Goal	Key Result Area
1	Investment Attraction	Attract and enhance investments into the SEZs	Level of investment
2	Development of integrated infrastructure	Enhance SEZ integrated infrastructural development	Sustainable and globally competitive Economic Zones
3	Legal and regulatory Framework	Strengthen legal and regulatory framework for investment into SEZ	Facilitative legal and regulatory framework
4	Institutional Capacity Development	Enhance the institutional capacity	Institutional operational efficiency

## CHAPTER FIVE: STRATEGIC OBJECTIVES 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 nine strategic objectives for the 2023 -2027 strategic plan period as listed below:

1. Increase investment in the SEZs by 20% annually.
2. Complete development of Naivasha SEZ I integrated infrastructure within 5 years.
3. Provide sustainable integrated infrastructure to all the zones
4. Strengthen the legal and regulatory framework
5. Strengthen and promote investment facilitation and regulatory collaboration between agencies
6. Attract, recruit, and retain competent workforce.
7. Strengthen organizational processes and systems.
8. Nurture a culture of excellence.
9. Establish School of SEZ as the premier training institution on SEZ in Africa

**Table 5.1: Outcome Annual Projections**

KRA 1: Level of investment							
Strategic Objective	Outcome	Outcome Indicator	Projections				
			Year 1	Year 2	Year 3	Year 4	Year 5
1. Increase investment by 20% annually	Economic growth	Foreign currency inflows (Kshs billions)	50	60	72	86.4	103.7
	Employment Opportunities	No. of jobs created	1000	5000	15000	35000	50000
KRA 2: Sustainable and Globally Competitive Economic Zone Development							
Strategic Objective	Outcome	Outcome Indicator	Year 1	Year 2	Year 3	Year 4	Year 5
1. Complete development of Naivasha SEZ I integrated	Globally competitive zones	Infrastructure developed	20%	50%	80%	90%	100%
		Acreage developed by investors	10%	30%	70%	90%	100%

infrastructure within 5 years							
2. Provide sustainable integrated infrastructure to all the zones		% of master plan implemented	100%	100%	100%	100%	100%
<b>KRA 3: Facilitative legal and regulatory Framework</b>							
Strategic Objective	Outcome	Outcome Indicator	Year 1	Year 2	Year 3	Year 4	Year 5
1. Strengthen the legal and regulatory framework	Enabling investment environment	No. of reviews of laws and regulations	1	1	1	1	1
		No. of SEZ schemes guidelines	2	2	2	2	2
2. Strengthen and promote investment facilitation and regulatory collaboration between agencies		No. of incentives	1	3	3	1	1
<b>KRA 4: Institutional operational Efficiency</b>							
Strategic Objective	Outcome	Outcome Indicator	Year 1	Year 2	Year 3	Year 4	Year 5
1. Attract, recruit and retain competent workforce	Increased productivity	Level of employee satisfaction	60%	65%	70%	75%	80%
		Level of customer satisfaction	60%	65%	70%	75%	80%
		No. of employees recruited	47	60%	70%	80%	99%
2. Strengthen organizational processes and systems	Organizational efficiency	% increase of productivity	5%	10%	15%	25%	30%
3. Nurture a culture of excellence	Increased organizational productivity	Level of ranking in the PC	2.5	2.3	2.1	2.0	1.9
4. Establish School of SEZ as the premier training institution on SEZ in Africa	School of SEZ established and operational	Number of Trainees	0	20	30	40	50



## 5.2. Strategic Choices

The Authority undertook a comprehensive assessment and evaluation of feasible alternative courses of actions and formulated strategies to be implemented towards delivering on the strategic objectives as presented in **table 5.2**.

**Table 5.2 Strategic Objectives and Strategies**

<b>KRA</b>	<b>Strategic Objectives</b>	<b>Strategies</b>
<b>KRA 1:</b> Level of investment	<b>Objective 1:</b> Increase investment by 20% annually	S1: Develop a strong brand identity
		S2: Information dissemination
		S3: Targeted investment mission
		S4: Establish strategic partnerships and collaborations
		S5: Investor incentives and policy stability
		S6: OSS in all designated zone
		S7: Consolidate SEZ data
<b>KRA 2:</b> Sustainable and Globally Competitive Zone Development	<b>Objective 1:</b> Complete development of Naivasha SEZ I integrated infrastructure within 5 years	S1: Strengthen resource mobilization from stakeholders including diasporas
		S2: Efficient and Effective Project Delivery of Naivasha 1 SEZ
	<b>Objective 2:</b> Provide sustainable integrated infrastructure to all the zones	S1: Adopt best practices for development of integrated infrastructure in all other SEZs
		S2: Establish and strengthen strategic partnerships and collaboration
<b>KRA 3:</b> Facilitative Legal and regulatory Framework	<b>Objective 1:</b> Strengthen the legal and regulatory framework	S1: Strengthen SEZ Act and Regulations Enhance stakeholder engagement
		S2: Enhance SEZ investment support Laws
		S3: Enhance alternative dispute resolution mechanisms
		S4: Strengthen legal compliance and monitoring
	<b>Objective 2:</b> Strengthen and promote investment facilitation and regulatory collaboration between agencies	S1: Enhance ease of doing business through streamlined regulatory processes Strengthen surveillance, compliance & enforcement

<b>KRA 4:</b> Institutional operational Efficiency	<b>Objective 1:</b> Attract, recruit, and retain competent workforce	S1: Optimise Human Resource Capacity and Capabilities
		S2: Improve Work Environment
	<b>Objective 2:</b> Strengthen organizational processes and systems	S1: Enhance organizational processes and system
		S2: Adopt modern technology in SEZA operations
		S3: Enhance monitoring, evaluation and reporting
		S4: Develop and implement Internal Policies, Processes& procedures
		S5: Develop and implement an effective Risk Management Framework
		S6: Enhance Authority’s resilience to external and internal risks
		S7: Enhance effective and efficient Internal Audit processes
		S8: Enhancement of Corporate Governance
		S9: Develop and implement Authority-wide Business Continuity and Disaster Preparedness (BC&DP) Plan
		S10: Strengthen Institutional knowledge management
		S11: Streamline records management.
S12: Enhance efficiency and access to SEZA records		
<b>Objective 3:</b> Nurture a culture of excellence	S1: Enhance performance management measures	
	S2: Embrace mentorship and role modelling	
	S3: Embrace value-based organizational culture.	
<b>Objective 4:</b> Establish School of SEZ as the premier training institution on SEZ in Africa	S1: Build capacity for SEZ staff and Economic Zone industry workers in Kenya and Africa at large	

## 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

The implementation of this plan will be guided by the action plan containing strategies, outputs, annual targets, and respective budgets as well as responsible units that will inform development of annual workplans and performance contracts.

#### 6.1.1 Action Plan

The action plan outlines the strategic issues and goals; the key result area, strategic objectives, and outcomes; respective strategies activities and expected outputs; the annual targets and budgets for five years as well as the respective implementing directorates and departments is as presented in **table 6.1**.

Table 6.1 Implementation Matrix

<b>Strategic Issue 1: Investment attraction</b>
<b>Strategic Goal: Attract and enhance investments into the SEZs</b>
<b>KRA 1: Level of investment</b>
<b>Outcome: (i) Economic growth (ii) Employment opportunities</b>
<b>Strategic Objective 1: Increase investment by 20% annually</b>

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
<b>Strategic Objective 1: Increase investment by 20% annually</b>																
Develop a strong Brand identity	Develop and implement communication policy	Policy document in place	Number	1	-	1	-	-	-	-	1.0	-	-	-	Communication	Marketing Manager
	Review of the communication policy	Revised Communication policy	Number	1	-	-	-	1	-	-	1.0	-	-	-	Communication	Marketing Manager
	Develop and implement marketing plan	Marketing plan developed	No. of Number	1	-	-	-	-	-	10	-	-	-	-	Marketing Manager	BDS
	Review marketing plan	Marketing plan reviewed	Marketing plan in place	1	-	-	1	-	-	-	-	5	-	-	Marketing Manager	BDS
	Rebranding	Rebranded SEZA	New logo, new corporate colour	1	1	-	-	-	-	-	20	-	-	-	-	Marketing Manager

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Communication equipment and software	Quality visuals and content	Cameras, lenses, SD Cards, Editing and monitoring software	100%	100%	-	-	-	-	1	0.5	0.5	0.5	1	Communication	SCM
	Website revamping	Website revamped	Increased traffic Increased download of documents	3	1	-	-1	-	-1	3	-	3	-	3	Communication	Marketing Manager
Information dissemination	Developing of marketing collaterals	Brochures, fliers, T-Shirts, Caps, hoodies, roller banners, pens, business cards, umbrellas	Printed corporate informative collaterals	5	1	1	1	1	1	10	10	10	10	10	Marketing Manager	Communication
	Participating in trade fairs and exhibitions	Trade fairs and exhibitions take place	No. of events	50	10	10	10	10	10	20	20	20	20	20	Marketing	BDS/Communication
	Organize and hold investor conferences and workshops	Investor Conferences and workshops held	List of participants No. of Conferences held	25	5	5	5	5	5	250	250	250	250	250	BDS	Marketing Manager
	Undertake mainstream media engagements	Mainstream Media engagement undertaken	No. of inquiries level of Investor engagement Walk in data	100	20	20	20	20	20	10	10	10	10	10	Communication	Marketing Manager
	Review SEZA digital presence (twitter, LinkedIn, YouTube etc.	Digital presence reviewed	No. of reviews per year	Continuous						1	1	1	1	1	Communication	Marketing Manager

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Targeted investment missions	Undertake market research and business clustering	Market Research and business clustering done	No of leads developed identified target markets and investors on-boarded	3	1	-	1	-	1	5	-	5	-	5	Marketing Manager	BDS
	Participate in targeted investment missions locally, regionally, and internationally	Investment missions take place	List of participants No. of Conferences Reports	30	6	6	6	6	6	12	12	12	12	12	Marketing Manager	BDS
Establish strategic partnerships and collaborations	Develop MoUs, SLAs and MoUs	Signed SLAs and MoUs	No. of SLAs and MoUs signed	32	10	8	6	4	4	5	4	3	2	2	P&S	Legal
Investor incentives and policy stability	Review and develop conducive investor incentive environment	Investor incentive environment reviewed	No. of incentives reviewed	5	1	1	1	1	1	1	1	1	1	1	BDS	Legal
OSS in all designated zones	Operational OSS	2 OSS operationalized annually	No. of Oss operational	10	2	2	2	2	2	15	15	15	15	15	BDS	L&I
Consolidate SEZ data	Compile and document all SEZ data digitally	Data complied digitally	Digital data	Continuous						32	2	2	2	2	BDS	Licensing/Compliance

<b>Strategic Issue 2: Development of Integrated Infrastructure</b>
<b>Strategic Goal: Enhance SEZ integrated infrastructural development</b>
<b>KRA 2: Sustainable and globally competitive zones development</b>
<b>Outcome: Globally competitive zones</b>
<b>Strategic Objective 1: Complete development of Naivasha SEZ I integrated infrastructure within 5 years</b>
<b>Strategic Objective 2: Provide sustainable integrated infrastructure to all zones</b>

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
<b>Strategic Objective 1: Complete development of Naivasha SEZ I integrated infrastructure within 5 years</b>																
Strengthen resource mobilization from stakeholders including diasporas	Develop and implement a resource mobilization plan	Enhanced revenue generation tools	Approved plan	5	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	Lands and Infrastructure	Finance, BDS, Partnerships
		Funding secured	Amount in Kshs Million	9,000	500	3000	2500	2000	1000	0.75	0.75	0.75	0.75	0.75	Lands and Infrastructure	Finance, BDS, Partnerships
Efficient and Effective Project Delivery of Naivasha 1 SEZ	Reticulate internet infrastructure	Internet Fibre-line network installed	No. of Km laid in NSEZ	24km completed	0.4	8	7	6	2.6	6	6	7	7	8	Lands and Infrastructure	SCM, BDS
	Construction of roads	Roads completed	No of Kms of roads constructed in NSEZ	24km completed	1.6	8	7	5	2.4							
	Reticulation of water	Water network reticulated	No of Kms reticulated	12km completed	0.4	4	3	3	1.6							

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Reticulation of power	Power network reticulated	No of Kms reticulated	28km completed	0.4	10	8	6.5	3.1							
	Construction of boundary wall	Boundary wall constructed	Kms of boundary wall constructed	8.2 km completed	-	3	2.5	2	0.7							
	Construction of Gate Houses	Gate House Constructed	No of gate houses constructed  Percentage completion	3  %	-	1	2									
	Construction of a sewer system	Sewer network reticulated	No of Kms of sewer	7 km completed	-	2.5	2	1.7	0.8							
		Water stabilization Sewer treatment ponds system	Capacity installed	3,200 CBM	-	1000	1000	1000	200							
	Construction of a police station	Police station constructed	No of Police posts	1 police station	-	-	1	-	-							
	OSS	One-stop shop administrative centre building constructed	Percentage completion	%	80%	100%										
	Construction of an effluent plant	Effluent plant constructed	Capacity Installed	10000 CBM Installed	-	-	5000	5000								



Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
<b>Strategic Objective 2: Provide sustainable integrated infrastructure to all zones</b>																
Adopt best practices for development of integrated infrastructure in all other SEZs	Issuance and monitoring of Development guidelines and controls	Approved and adopted Development guidelines	Approved guidelines document	4	-	1	1	1	1	0.8	0.6	0.6	0.6	0.6	Lands and Infrastructure	BDS/L &C
			Compliance report	4	-	1	1	1	1							
	Issuance and monitoring of ESG framework and index	Approved and adopted ESG index	Approved ESG framework	2	-	1	-	1	-	0.5	0.5	0.5	0.5	0.5		
			ESG index report	4	-	1	1	1	1							
Establish and strengthen strategic partnerships and collaboration	Execution of Development partners Agreements	Development partners support Agreements	Funding obligation deployed (Kshs.)	100%	100%	100%	100%	100%	100%	0.5	0.5	0.5	0.5	0.5	Lands and Infrastructure	L&C/BD S/P&S
			PPP agreements successfully executed	100%	100%	100%	100%	100%	100%	1.2	0.8	0.8	0.8	0.8		
		Percentage completion	100%	100%	100%	100%	100%	100%								
		Investment Performance Report(Y-on-Y)	5	1	1	1	1	1								

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
			Debt servicing performance	100%	100%	100%	100%	100%	100%							
	Program establishment performance report (Land absorption, investors capex, jobs created, production volume, debt performance)	Acres leased and revenues	Acres leased	454 Acres	85	135	170	64		0.75	0.75	0.75	0.75	0.75	Lands and Infrastructure	L&C/BD S/P&S
Additional Revenue Raised in Ksh Million Y-Y			270	50	80	100	40									
Investor CAPEX		Capital Investment in USD (USD million)	510	95	150	190	75									
County SEZs established	Developed county SEZs	% completion of planned milestones		100%	100%	100%	100%	100%	100%	0.75	0.75	0.75	0.75	0.75	Lands and Infrastructure	L&C/BD S/P&S
			% of Cumulative Development Capital Deployed in USD	20%	-	2%	4%	6%	8%							
			% increase in Total Investment in USD Y-Y	25%	-	2%	5%	8%	10%							

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Private SEZs established	Developed private SEZs	% completion of planned milestones	100%	100%	100%	100%	100%	100%	0.75	0.75	0.75	0.75	0.75	Lands and Infrastructure	L&C/BD S/P&S
			% of Development Capital Deployed in USD	40%	-	7%	9%	11%	13%							
			% increase in Total Investment in USD Y-Y	45	-	7%	10%	13%	16%							

<b>Strategic Issue 3: Legal and Regulatory Framework</b>
<b>Strategic Goal: Strengthen Legal and Regulatory Framework for investment into SEZ</b>
<b>KRA 3: Facilitative Legal and Regulatory Framework</b>
<b>Outcome: Enabling investment environment</b>
<b>Strategic Objective 1: Strengthen the legal and regulatory framework</b>
<b>Strategic Objective 2: Strengthen and promote investment facilitation and regulatory collaboration between agencies</b>

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
<b>Strategic Objective 1: Strengthen the legal and regulatory framework</b>																
Strengthen SEZ Act and Regulations	Review the SEZ Act and Regulations.	SEZ Act and Regulations Reviewed	Percentage completion	Continuous						10	5	5	5	5	L&C/Legal	ALL
	Developed statutory instruments required under the SEZ Regulations	Statutory on Instruments on SEZ Developed	number of instruments published	20	3	3	4	5	5	10	5	5	5	5	L&C/Legal	ALL
	Participate in Regional & continental SEZ policy formulation	Active participation	Participation report	30	6	6	6	6	6	8	8	8	8	8	L&C/Legal	ALL
Enhance SEZ investment support Laws	coordinate and conduct regular reviews and updates of SEZ investment support laws	SEZ investment support laws reviewed and updated	No. of laws reviewed and updates	8	1	2	3	1	1	1	1	1	1	1	L&C/Legal	ALL

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	Conduct research and analyze laws and regulations from other countries that have successfully implemented the SEZ regime	analysis and research conducted and reports prepared	No. of research reports prepared	5	1	1	1	1	1	0.2	0.2	0.2	0.2	0.2	L&C/Legal	ALL
Enhance alternative dispute resolution mechanisms	Establish and implement an efficient and transparent mechanism for resolving SEZ disputes	Clear Dispute resolution mechanism with internal ADR mechanism	Timely and clear dispute resolution mechanism	Continuous						-	-	-	-	-	Legal	Compliance
Strengthen legal compliance and monitoring	Review all legal instruments, and contracts.  Work with AG office or competent Advocate to defend the authority	Legal instruments and contracts reviewed	Reports of managed legal risks	Continuous						2	2	2	2	2	Legal	Compliance
<b>Strategic Objective 2: Strengthen and promote investment facilitation and regulatory collaboration between agencies</b>																
Enhance ease of doing business through streamlined	Negotiate and execute Service Level agreements with other regulatory bodies	Agreements executed	No. of Agreements Executed	10	3	5	2			Captured under BDS					Legal	BDS

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Responsibility	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
regulatory processes Strengthen surveillance, compliance & enforcement	to facilitate SEZ investors															
	Conduct legal audit	Legal audits done	No. of legal audits done	5	1	1	1	1	1	0.1	0.1	0.1	0.1	0.1	Legal	Compliance
	Establish surveillance, compliance & enforcement function	surveillance, compliance & enforcement function established	surveillance, compliance & enforcement in place	1											Legal	Compliance
	Develop & implement compliance & enforcement policy	compliance & enforcement policy developed	compliance & enforcement policy in place	Continuous						20	20	20	20	20	Legal	Compliance

<b>Strategic Issue 4: Institutional Capacity Development</b>
<b>Strategic Goal: Enhance the institutional capacity</b>
<b>KRA 4: Institutional Operational Efficiency</b>
<b>Outcome: (i) Increased productivity (ii) Organizational efficiency (iii) Increased organizational productivity (iv) School of SEZ established and operational</b>
<b>Strategic Objective 1: Attract, recruit, and retain competent workforce. Strategic Objective 2: Strengthen organizational processes and systems. Strategic Objective 3: Nurture a culture of Excellence. Strategic Objective 4: Establish School of SEZ as the premier training institution on SEZ in Africa.</b>

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)							
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support	
<b>Strategic Objective 1: Attract, recruit, and retain competent workforce</b>																	
Optimise Human Resource Capacity and Capabilities	Review and operationalize HR Instruments	Revised HR Policies, Career Progression Guidelines and Organization Structure	Recategorization of the Authority  Employee Satisfaction Rate	3	3						27 M	32M	33 M	34 M	40 M	HR&A	ALL
	Undertake Skills Gap Analysis	Skill Gap Analysis undertaken	Skills Gap Analysis Report	1	1						0.2	-	-	-	-	HR&A	ALL
	Undertake Training Needs Assessment (TNA)	Training Needs assessment Undertaken	TNA Report  Training Plan	3	1	-	1	-	1		0.2M		0.2 M		0.2 M	HR&A	ALL

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Lead	Support
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	Implement the TNA	TNA implemented	% of personnel trained	100%	100%	100%	100%	100%	100%	10 M	10 M	10 M	10 M	10 M	HR&A	ALL
	Develop and Implement Succession Plan (Succession Plan for the Board)	Succession Planning undertaken	Succession Plan	1	1	-	-	-	-	0.3 M					HR&A	ALL
	Recruitment of staff	Staff Recruited	No. of staff in post	100%	40%	60%	80%	100%	100%	0.5 M	0.5 M	0.5 M	0.5 M	0.5 M	HR&A	ALL
Improve Work Environment	Create safe and conducive work environment	Conducive work environment in place	Work environment Index.	Continuous	-	-	-	-	-	102 M	2 M	52 M	2M	2 M	HR&A	ALL
<b>Strategic Objective 2: Strengthen organizational processes and systems</b>																
Enhance organizational processes and systems	Acquire and implement QMS. Continuous training of staff on processes and systems	ISO 9001:2015 Certified	SoP's and policies in place	Continuous	-	-	-	-	-	10 M	10 M	2M	2M	2M	BDS/QA	
Adopt modern technologies in SEZA operations	Acquire ERP Systems	Hosted ERP System	Data and Reports from ERP System	Continuous	-	-	-	-	-	45M	45 M	5M	5 M	5 M	ICT	ALL
	Develop and implement technology acquisition plan	Technology acquisition plan	Technology adoption rate	continuous	10%	40%	20%	15%	15%	2.5M	10M	5M	3.75M	3.75M	ICT	ALL
Enhance Monitoring Evaluation and reporting	Develop an M&E Framework	M &E Framework in place	No. of Reports per quarter	Continuous	-	-	-	-	-	1 M	1 M	1 M	1 M	1 M	L&C/P&S	



Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Lead	Support
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
Develop and implement Internal Policies, Processes & procedures	Development and implementation of Internal Policies, Strategies and Procedures	Approved Policies	No. of approved policies	Continuous	50%	100%	100%	100%	100%	-	-	-	-	-	HODs	ALL
Develop and implement an effective Risk Management Framework	Develop and implement Institutional risk management policy framework (IRMPF)	Risk Management policy Framework.	Annual Reports	% level of compliance	40%	100%	100%	100%	100%	2 M	5 M	5 M	5 M	5 M	IA&RA / Corporate Strategy	ALL
	Continuous Capacity building for Board, Management, and staff on risk management	Effective risk management process	Training reports	Continuous	--	-	-	-	-	3M	3M	3M	3 M	3 M	IA&RA / Corporate Strategy	ALL
	Undertake periodic review of the IRMF (Policy & Procedures, Risk Appetites Statements, Risk Registers)		Regular reports to the Board	Continuous	--	-	-	-	-	-	--	1M	-	-	IA&RA / Corporate Strategy	ALL
Enhance Authority's resilience to external and internal risks.	Provide risk assurance by performing risk assessment and risk-based	Improved and effective Risk Management framework	No. of Reports per quarter	Continuous	80%	80%	80%	80%	80%	-	-	-	-	-	IA&RA	ALL

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)						
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
	audits of SEZA's processes															
Enhance effective and efficient Internal Audit processes	Implement effective Audit Management systems and analytics tools/ technologies	Teammate + Audit Management systems and analytics tools/acquired and in use	Reports from the Systems	100%		100%	100%	100%	100%	8M	2M	2M	2M	2M	IA&RA	F&A, SCM,
	Training for specialized skills & knowledge to enhance IAD capacity for assurance and advisory services	Audit reports	Specialized skills acquired	100%		100%	100%	100%	100%	-	-	-	-	-	IA&RA	ALL
Enhancement of Corporate Governance	Adherence to Mwongozo Code of Governance for State Corporations	Mwongozo code of governance compliance	% level of compliance	100%	100%	100%	100%	100%	100%	5	5	5	5	5	LS	IA&RA
	Undertake Internal Audit and Risk Assurance	Audit reports	% implementation of adopted recommendations	100	100	100	100	100	100	5	5	5	5	5	IA&RA	ALL
	Adherence to reporting requirements in statutes and directives	Statutes and directives compliance reports	% level of compliance	100	100	100	100	100	100	-	-	-	-	-	LS	HR&A, F&A, SCM, BDS

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Lead	Support	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5			
Develop and implement Authority-wide Business Continuity and Disaster Preparedness (BC&DP) Plan	Develop and implement Authority's BCP & DP Policy, procedures, and annual test plans in line with mandatory requirements and best practices.	Reports on the BC & BP	Policy document	1	100%	-	-	-	-	100%	2	-	-	-	2	S & P	ALL
	Continuous Capacity building for Board, Management, and staff on BC & Dp	Reports on the BC & BP	Policy document	1	100%	-	-	-	-	100%	2	-	-	-	2	S & P	ALL
Strengthen Institutional knowledge management	Institutionalise knowledge management	Knowledge management repository	Repository Platform	100%	10	30	30	20	10	3	5	5	3	2	RMU	ICT/COMM	
Streamline records management.	Develop and implement a records management policy	Approved SEZA RM policy	Policy document	1	1	-	1	-	1	3	1	2	-	2	RMU	ALL	
	Undertake records mapping, classification, and inventory.	Approved File classification index manual.	Approval and application	100%	10%	50%	40%	0	0	1.5	0.5	0.5	0	0.5	RMU	ALL	
	Audit departmental records to conform with	Audit reports.	Level of compliance	100	100%	100%	100%	100%	100%	0.2	0.2	0.2	0.2	0.2	RMU	Audit	

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)					Lead	Support
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
	guideline in the RM policy															
Enhance efficiency and access to SEZA records	Business process analysis	BPA reports	Reports	1	1	-	1	-	1	0.1	0.1	0.1	0.1	0.1	RMU	ALL
	digitizing all the physical records and process automation (PSMP)	Digitized records	Number of folios digitized	100%	-	20%	30%	30%	20%	-	4	5	2	1	RMU	ICT
	Acquire EDMS	Hosted EDMS	EDMS system in place	continuous	-	100%	-	-	-	-	13M	3M	3M	3M	RMU/ICT/SCM	ALL
	Continuous capacity building for the records management function	Training programs developed and attended.	Number of trainings successfully attended.	continuous	-	continuous	continuous	continuous	continuous	-	4M	4M	4M	4M	RMU/ICT/HR&A	ALL
<b>Strategic Objective 3: Nurture a Culture of Excellence to Promote national values and a culture of excellence.</b>																
Enhance Performance Management	Develop and implement performance management framework	Performance Management framework in place	-No. of Performance Evaluation Reports Staff productivity Index	Continuous	-	-	-	-	-	0.5 M	-	-	-	-	HR&A	ALL

Strategy	Key Activities	Expected Output (s)	Indicator(s)	5 Yr. Target	Target					Budget (KSh. Mn)						
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Embrace Mentorship and Role Modelling	Develop and implement a mentorship and coaching framework	Mentorship program in place	No. of mentees	Continuous	-	-	-	-	-	0.5M	0.5M	0.5M	0.5M	0.5M	HR&A	ALL
Embrace value-based organizational culture.	Create and implement a value-based organizational culture program.	Value-based culture program developed.	Value-based culture program in place	Continuous	-	-	-	-	-	1 M	1 M	1 M	1 M	1 M	HR&A	ALL
<b>Strategic Objective 4: Establish School of SEZ as the premier training institution on SEZ in Africa</b>																
Build capacity for SEZ staff and Economic Zones industry workers in Kenya and Africa at large	Develop School of SEZ as a centre of excellence in Africa for training on SEZ	School of SEZ established and operational	No. of trainees	140	0	20	30	40	50	0	10.5	10.5	0.5	0.5	BDS	ALL

### **6.1.2 Annual Workplan and Budget**

Implementation and delivery of the proposed Strategic Plan initiatives will be done through preparation of Annual Work Plans at the commencement of every year based on annual targets captured in this Strategic Plan. The annual work plans will be further cascaded to directorate, departmental and individual levels. The Work Plans will be costed in accordance with available budget.

### **6.1.3 Performance Contracting**

As a tool for driving accountability and ensures efficient service delivery, SEZA shall be developing a Performance Contract whose targets will be drawn from the annual work plan implementing this Strategic Plan. The Performance Contract shall further be cascaded for signing between the Board of directors and the DG/CEO and further between the DG/CEO and Heads of Directorates, departments and units within SEZA and therefore bringing all staff on board in the implementation of this plan.

## **6.2. Coordination Framework**

The coordination framework entailing SEZA institutional framework, the staff establishment, skills set and competence development requirements, the ideal institutional leadership as well as the systems and procedures are as presented in the subsequent sections.

### **6.2.1 Institutional Framework**

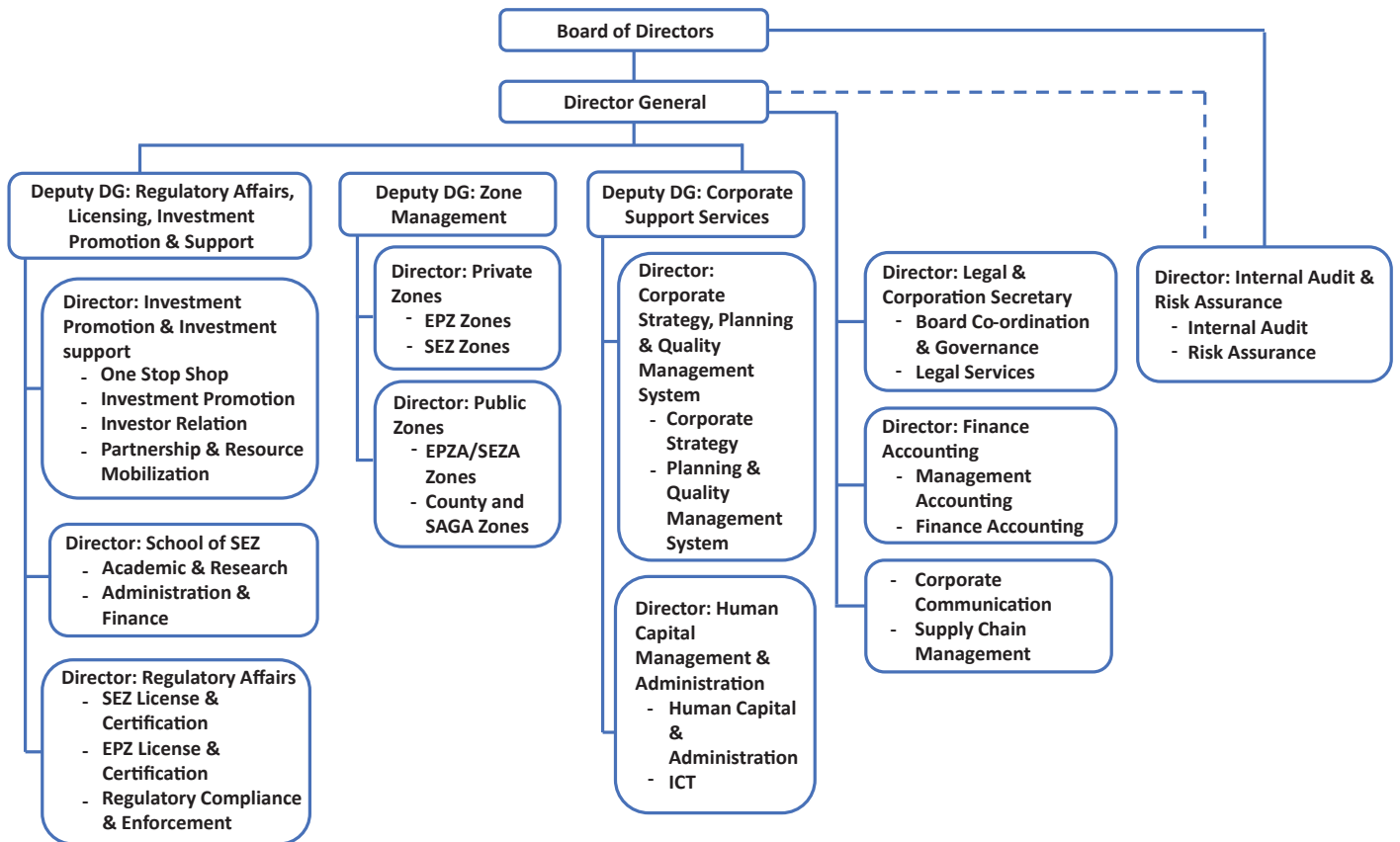
The existing structure, policies, rules, and regulations have supported execution of SEZA's mandate. There is need for a review to consider what is needed to support implementation of the identified strategic initiatives moving forward.

#### **6.2.1.1. The organization structure**

At the helm of the structure is the Board of Directors that provide leadership and oversight to manage SEZA. The board of Directors consist of nine (9) members with a chairman appointed by the President, two principal secretaries or their representatives from the National treasury and planning and the ministry for the time being responsible for matters relating to trade, the Chairperson of the National Land Commission, the Commissioner General of Kenya Revenue Authority (KRA) and four independent Board members representing various interest groups.

The Director General (DG) who is also an ex-officio member of the Board is the head of the management team. He is supported by a management team comprising of 52 officers

The proposed organization structure of the Authority, as captured in **figure 6.1**, was guided by the provisions of the Special Economic Zones Act, 2015 that established the Authority (SEZA). The structure adopted governance systems and structures meant to enhance good governance in the management and operation of SEZA.



**Figure 6.1: Proposed SEZA Organizational Structure**

### 6.2.1.2. Policies, Rules, and Regulations

The Authority operates within a well-regulated space with strong need for compliance with regulatory requirements. Further, the Authority operates within the provisions of the Code of Governance for Government Owned Entities (*Mwongozo*) which provides a framework for enhancing transparency, accountability, and disclosure; risk management; internal controls; ethical leadership and good corporate governance; addressing shareholder rights and obligations; sustainability as well as excellence in performance across State Owned Entities and compliance to circulars and policy relevance from time to time.

### 6.2.2 Staff Establishment, Skills Set and Competence Development

SEZA has a staff establishment of 99 staff with 24 in-post as at 31st May 2024 spread across the various functional areas. The current staffing levels are as outlined in **table 6.2**.

**Table 6.2: Staffing Establishment**

Cadre	Approved Establishment	Optimal Staffing Level	In-post	Variance
	A	B	C	B-C
Top Management	8	8	3	5
Middle management	16	16	4	12
Operational: Officers	23	23	8	15
Operational: Technical	28	28	1	27
Support Staff	24	24	7	17
<b>Total</b>	<b>99</b>	<b>99</b>	<b>23</b>	<b>76</b>

**Table 6.3: Skills Set and Competence Development**

Cadre	Skills Set	Skills Gap	Competence Development
Top Management	<ul style="list-style-type: none"> <li>• Strategic Leadership,</li> <li>• Decision Making,</li> <li>• Change Management,</li> <li>• Stakeholder management</li> <li>• Financial Acumen</li> </ul>	<ul style="list-style-type: none"> <li>• Limited knowledge of emerging technologies</li> <li>• Ability to provide visionary leadership and set strategic directions for the organization.</li> <li>• Proficient in making informed and effective decisions that align with organizational goals.</li> <li>• Skilled in leading organizational change and managing transitions effectively.</li> <li>• Strong relationship building and communication skills to manage</li> </ul>	<ul style="list-style-type: none"> <li>• Executive education programs</li> <li>• Strategic Leadership Development</li> <li>• Decision-Making Enhancement</li> <li>• Emotional Intelligence, Positivity and Negotiation skills</li> <li>• Stakeholder Engagement and Communication</li> <li>• Financial Management skills</li> <li>• Global trends in Special Economic Zones</li> </ul>



Cadre	Skills Set	Skills Gap	Competence Development
		<p>stakeholders at various levels.</p> <ul style="list-style-type: none"> <li>• Understanding of financial management and budgeting to ensure fiscal responsibility</li> </ul>	
Middle Management	<ul style="list-style-type: none"> <li>• Team Leadership,</li> <li>• Problem-solving</li> <li>• Communication,</li> <li>• Project Management,</li> <li>• Analytical Thinking</li> <li>• Stakeholder management</li> <li>• Performance Management</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to lead, motivate, and manage teams to achieve departmental objectives.</li> <li>• Proficient in Planning, executing, and monitoring projects to ensure successful outcomes.</li> <li>• Strong analytical skills to identify challenges and implement effective solutions.</li> <li>• Clear and effective communication to facilitate information flow across the organization.</li> <li>• Skill in setting performance expectations, conducting evaluations, and providing feedback to team members.</li> </ul>	<ul style="list-style-type: none"> <li>• Team leadership and management</li> <li>• Management excellence</li> <li>• Team Leadership and Management</li> <li>• Project Management Excellence</li> <li>• Analytical and Problem-Solving Skills</li> <li>• Effective Communication and Collaboration</li> <li>• Succession Planning, mentorship and coaching</li> </ul>
Technical	<ul style="list-style-type: none"> <li>• Technical Expertise as per specialization</li> </ul>	<ul style="list-style-type: none"> <li>• In-depth knowledge and</li> </ul>	<ul style="list-style-type: none"> <li>• Technical Expertise Deepening</li> </ul>

Cadre	Skills Set	Skills Gap	Competence Development
	<ul style="list-style-type: none"> <li>• Problem Diagnosis, data analytics and Resolution</li> <li>• Innovation and Creativity</li> <li>• Technical Documentation</li> <li>• Collaboration</li> </ul>	<p>expertise in the specific technical domain relevant to the role.</p> <ul style="list-style-type: none"> <li>• Ability to diagnose technical issues and provide timely solutions.</li> <li>• Skills to develop innovative solutions and adapt to evolving technologies</li> <li>• Proficiency in creating clear and comprehensive technical documentation.</li> <li>• Ability to collaborate with cross-functional teams and stakeholders on technical projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Problem Diagnosis, data analytics and Resolution Skills</li> <li>• Innovation/emerging technologies and Adaptability</li> <li>• Effective Technical Documentation</li> </ul>
Support Staff	<ul style="list-style-type: none"> <li>• Administrative and communication efficiency</li> <li>• Customer Service skills</li> <li>• Resource and project management skills</li> <li>• Problem Resolution</li> <li>• Accounting skills</li> </ul>	<ul style="list-style-type: none"> <li>• Strong organizational and time management skills for effective support functions.</li> <li>• Excellent interpersonal skills to provide quality service to</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative Efficiency and Resource/Project Management</li> <li>• Customer Service Excellence</li> <li>• Problem Resolution and Troubleshooting</li> <li>• Effective Communication and Interpersonal Skills</li> </ul>

Cadre	Skills Set	Skills Gap	Competence Development
		<p>internal and external customers.</p> <ul style="list-style-type: none"> <li>• Skill in managing resources/projects such as facilities, procurement, and logistics.</li> <li>• Ability to address issues and provide support to ensure smooth operations</li> <li>• Effective communication skills to interact with diverse teams and convey information clearly.</li> </ul>	

### 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 in table 6.4.

**Table 6.4: Key Result Areas and Strategic Theme Leaders**

S/No.	Strategic Issue	Key result Area	Strategic Theme Team(s)	
			Lead	Support
1.	Investment Attraction	Level of investment	BDS	L&C
2.	Development of integrated infrastructure	Sustainable and Globally Competitive Economic Zone Development	L&I	All
3.	Legal and regulatory Framework	Facilitative Legal and regulatory Framework	Legal	L&C BDS L&I
4.	Institutional Capacity Development	Institutional operational Efficiency	HR&A	All

### 6.2.4 Systems and Procedures

Effective implementation of a strategic plan requires responsive and agile systems as well documented and robust standard operating procedures. Therefore, various extant management information systems would require significant enhancement to ensure end-to-end integration and interoperability as well as make them end-user friendly for optimal utilization. All critical processes and procedures will be clearly defined and documented to ensure timeous workflow.

### 6.3. Risk Management Framework

During the development of the Strategic Plan, the Authority proactively identified potential risks that could impede its successful implementation. The Board and Management will pay close attention to all material risks that the organization faces. To address these risks and mitigate their negative impacts, the Authority has established robust mitigation measures.

Table 6.5 provides an overview of the identified high risks and their corresponding mitigation measures.

**Table 6.5: Risk Management Framework**

S/No.	Risk Details	Mitigation
1.	Inadequate human capital	Long-term recruitment plan As a short term measure the Authority plans to on-board additional Public Service Interns
2.	Limited budget and delayed disbursement	Develop Funding strategy to capture diverse sources of funding
3.	Cyber/Data security and privacy concerns.	Establish a comprehensive ICT policy and implement robust network security system.
4.	Lack of Technology Integration	Develop technology strategy aligned with the organization's activities
5.	Inadequate Risk Management Framework	Develop and implement comprehensive risk management policies and procedures
6.	Litigation against the authority	Ensure compliance with applicable laws, regulations, and industry standards to mitigate legal and regulatory risks.
7.	Failure to adapt to Emerging Risks.	Monitoring and addressing emerging risks across the organization.
8.	Reputational damage to SEZA's image	Develop a communication policy to effectively respond to reputational threats and crisis
9.	Contractual Risk	Implement robust contract management framework

## CHAPTER SEVEN: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

### 7.1 Overview

This Chapter summarises the financial requirements of implementing the Strategic Plan against projected resources and resource gaps.

### 7.2 Financial Requirements

To realize the aspirations and objectives of this Plan, SEZA will require resources and funding for the implementation of the various activities as highlighted in the previous sections. This section analyses the funding projection requirements for each KRA for the five-year Plan period, the variances of the requirements from the allocations, the resource mobilization strategies as well as those of prudently managing the resources during the Plan period.

**Table 7.1: Financial Requirements for Implementing the Strategic Plan**

Key Result Area	Financial Resource Requirements Estimate (KSh. '000,000')					
	2023/24	2024/25	2025/26	2026/27	2027/28	Total
<b>KRA 1:</b> Level of investment	395.0	395.0	395.0	395.0	395.0	1,975.0
<b>KRA 2:</b> Sustainable and Competitive Economic Zones Development	4,352.5	2,207.5	1,265.5	1,265.5	802.5	9,893.5
<b>KRA 3:</b> Facilitative Legal and regulatory Framework	51.3	41.3	41.3	41.3	41.3	216.5
<b>KRA 4:</b> Institutional operational Efficiency	185.2	47.5	98.7	49.5	55.7	436.6
<b>Total for KRA 1-4</b>	<b>4,984.0</b>	<b>2,691.3</b>	<b>1,800.5</b>	<b>1,751.3</b>	<b>1,294.5</b>	<b>12,521.6</b>
<b>Recurrent budget</b>	<b>243.1</b>	<b>500.0</b>	<b>530.0</b>	<b>550.0</b>	<b>600.0</b>	<b>2,423.1</b>
<b>Total</b>	<b>5,227.1</b>	<b>3,191.3</b>	<b>2,330.5</b>	<b>2,301.3</b>	<b>1,894.5</b>	<b>14,944.7</b>

The projected financial resource requirement for the implementation of this Strategic Plan is approximately Kshs. 14.9 billion against an estimated resource allocation of Kshs. 3.7 billion as tabulated in **table 7.2**.

**Table 7.2: Resource Gap**

<b>Financial Year</b>	<b>Requirement Kshs. '000,000'</b>	<b>Estimated Resource Allocation Kshs. '000,000'</b>	<b>Variance Kshs. '000,000'</b>
2023/24	5,227.1	550.37	4,676.73
2024/25	3,191.3	715.37	2,475.93
2025/26	2,330.5	1,224.27	1,106.23
2026/27	2,301.3	582.37	1,718.93
2027/28	1,894.5	640.6	1,253.9
<b>Total</b>	<b>14,944.7</b>	<b>3,712.98</b>	<b>11,231.72</b>

### **7.3 Resource Mobilisation Strategies**

To facilitate the implementation of this Strategic Plan SEZA shall pursue the following strategies:

1. Optimizing internal resources
2. Appropriation in aid
3. Technical and Financial Support
4. Public-private partnerships
5. Enhance stakeholder engagement
6. Utilization of modern technology
7. Fundraising campaigns

### **7.4 Resource Management**

The overall expenditure incurred must be within the approved budget, the National Treasury guidelines and in line with the provisions of the PFM Act, 2012.

## **CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK**

### **8.1 Monitoring Framework**

The Planning Department shall be responsible for monitoring the implementation of strategies. The M&E process shall be based on the indicators and targets captured in the action plan in table 6.1. (Implementation matrix) Progress reports will be developed within predetermined intervals and review meetings held to authenticate the reports before presenting them to the board for approval and subsequent dissemination

### **8.2 Performance Standards**

The planning and risk management division with help of strategic theme teams as captured in table 6.4. Both quantitative and qualitative methods will be applied in data collection and analysis in conformity to the best standards. This will be ensured through customized data collection templates. The strategic teams shall be trained M&E committee to effectively undertake the function. Authenticity and accuracy of data and reports developed shall be ensured through peer review forums with relevant stakeholders. Elaborate systems and structures for data management shall be established to avoid data loss. Further, stakeholders shall also be engaged in monitoring and evaluation process to ensure participation and enhance ownership in the implementation of this plan.

### **8.3 Evaluation Framework**

Evaluation will involve a systematic and objective assessment regarding the relevance, effectiveness, efficiency, and impact of activities considering specific objectives. The process will seek to examine the extent to which the objectives of a programme have been met. Evaluation of this Strategic Plan will be carried out for selected programmes and projects, at mid-term and end-term. Evaluation process shall be guided by the defined outcome indicators, baselines and targets as summarized in Table 8.1.

**Table 8.1: Outcome Performance Matrix**

Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid-Term Period	End-Term Period
<b>KRA 1: Level of investment</b>	Economic growth	Foreign currency inflows	Kshs. 2 billion	2023	Kshs. 5 billion	Kshs 15 billion
	Employment Opportunities	No. of jobs created	4,000		7,200	13,900
<b>KRA 2: Sustainable Zones Development</b>	Globally competitive zones	Infrastructure developed at N-SEZ	8%	2023	30%	90%
		Acreage developed by investors at N-SEZ	2%		15%	45%
		% of master plan implemented (phasing)	0%		50%	100%
<b>KRA 3: Facilitative Legal and regulatory Framework</b>	Enabling Business environment	No. of laws and regulations	1	2023	1	1
		No. of SEZ schemes guidelines	1		2	1
		No. of incentives	2		2	1
<b>KRA 4: Institutional operational Efficiency</b>	Increased productivity	Level of employee satisfaction	60%	2023	80%	100%
		Level of customer satisfaction				
	Organizational efficiency	No. of employees recruited	50%	2023	70%	80%
		% increase of productivity				
Increased organizational productivity	Level of ranking in the PC	60%	2023	80%	100%	
School of SEZ established and operational	Number of Trainees	0	2023	30	50	

### 8.3.1 Mid-Term Evaluation

Mid-Term and end-term reviews of the Strategic Plan, which shall incorporate external reviewer(s) to enhance objectivity, shall be undertaken. The mid-term review will be undertaken in the financial year 2025/26. Using appropriate M&E tools, an assessment will be undertaken on the level of achievement on the planned objectives. The Mid-term evaluation will provide a scorecard on the extent to which the commitments have been achieved and identify bottlenecks and emerging issues that may hinder attainment of the goals and objectives.



### 8.3.2 End-Term Evaluation

The end-term review and the development of the next cycle strategic plan will be carried out in the FY 2027/2028. The key issues to be addressed in both the mid-term and end-term reviews are:

- a) **Relevance:** The extent to which the goal, purpose and objectives of the strategic plan were consistent with the needs and priorities of the relevant stakeholders.
- b) **Efficiency:** How resources/inputs (funds, expertise, time, and infrastructure.) have been converted to results
- c) **Effectiveness:** The extent to which the implementation of activities met the set objectives.
- d) **Sustainability:** Assess the likelihood of strategic plan achievements continuity.
- e) **Impact** of the Strategic plan over the period under evaluation
- f) **Achievements and Challenges:** Document the achievements and challenges faced in the implementation of the plan.
- g) **Mitigation Measures:** Document the measures to overcome the challenges.

### 8.4 Reporting Framework and Feedback Mechanism

SEZA shall develop reporting framework and feedback mechanisms to guide the Monitoring, reporting, evaluation and learning processes. This will entail:

- a) Development and implementation of annual corporate work plans;
- b) Monitoring and reporting quarterly on the implementation of the annual work plans to the Board of Trustees;
- c) Taking corrective actions on deviations in the Plan's implementation;
- d) Undertaking annual reviews and reporting on the implementation of the Plan to the Board of Trustees;
- e) Disseminating the findings and recommendations;
- f) Implementing the recommendations of the report; and,
- g) Administering rewards and recognition

The information obtained from Monitoring and Evaluation will inform learning and growth through creating, retaining, and applying the knowledge to adapt, improve, and innovate. Application of learning and growth will involve implementing new practices, sharing best practices, and leveraging knowledge to make informed decisions and drive organizational change.

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