



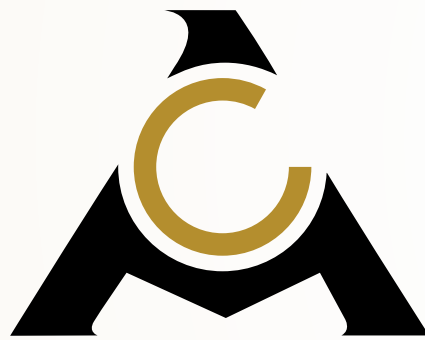
# Strategic Plan

**2023-2028**

Promoting the Integrity and  
Growth of the Capital Markets

August 2023





**CAPITAL**  
MARKETS AUTHORITY

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*Promoting the Integrity and Growth of the Capital Markets*

**Strategic Plan**  
**2023-2028**



## OUR VISION

The trusted regulator of an inclusive Capital Markets.



## OUR MISSION

To regulate and promote the development of an orderly, fair, and efficient capital and commodities markets that safeguard stakeholder Interests.



## CORE VALUES

To fulfill its mandate, pursue the Vision, and accomplish its Mission, the CMA will be guided by its core values of:



Customer Focus



Accountability, Integrity & Transparency



Professionalism



Innovativeness



Teamwork & Trustworthiness



Agility & Continuous Learning



Leadership

# FOREWORD



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I am confident that through the commitment of the CMA Board, dedication, and professionalism of the staff of the Authority, the goals of this Plan will be realized.

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The Capital Markets Authority's (CMA) Strategic Plan 2023-2028 is a blueprint for the Authority's activities over the next five years, starting July 2023. The Plan has taken into consideration global trends and emerging issues to ensure the Kenyan capital markets remain internationally competitive. It is crucial to identify and exploit areas where CMA has the greatest impact within its mandate to achieve the global Sustainability Development Goals and the African Union Agenda 2063. This includes focusing on ongoing regional integration initiatives and collaborating with the Nairobi International Financial Centre (NIFC) to explore opportunities that complement our domestic markets. By leveraging these partnerships, we can effectively contribute to the achievement of our goals.

The plan also considers outcomes anticipated in the Bottom-up Economic Transformation Agenda (BETA), the Fourth Medium-Term Plan (MTP IV), and the just lapsed Capital Markets Master Plan (2014-2023), alongside opportunities presented through the facilitation of financing for County Governments as guided by the National Treasury and Economic Planning Guidelines for preparation of The Fifth Generation Strategic Plans 2023-2027. It comes at a critical time when the financial markets are recovering against a backdrop of a global economic slowdown underpinned by various external and internal shocks.

The development of the new Plan has therefore been substantially informed by the need to build resilience, remain competitive, increase inclusivity through innovation, and enhance investor confidence which informs the basis of the Authority's overall guiding Vision:

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## The Trusted Regulator of An Inclusive Capital Markets.

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Recognizing the capital markets as an alternative source of development capital, this Strategic Plan aligns with the Government of Kenya's BETA geared toward an economic turnaround and inclusive growth. To support this agenda, key focus areas will be the promotion of Real Estate Investment Trusts (REITs), facilitating access to the markets by Micro, Small & Medium Enterprises (MSMEs), privatization, market-based Private Public Partnership (PPP) financing, and implementing commodity market reforms.

Noting that strong and resilient capital markets contribute to socioeconomic stability, the focal points of impacting economic growth hinge on their ability to mobilize long-term savings. This will support financial intermediation, improve the efficiency of resource allocation, provide capital, and facilitate broad ownership of firms.

The Plan envisions vibrant capital markets driven by enhancing the customer experience, promoting financial inclusion, revamping policies, and regulations, improving market infrastructure and institutional arrangements, supporting innovation, and enhancing investor protection.

This will be achieved through leveraging strategic alliances, proactive and participatory market development initiatives, and continuous education and awareness programs to create an environment where all Kenyans are able to actively play a part in the market and create wealth.

In alignment with the key outcomes outlined in this Plan, CMA has identified the following strategic goals for the period 2023-2028:

- i. Grow aggregate market capitalization from Kshs. 5.6 trillion to Kshs. 6.6 trillion by 2028.
- ii. Grow revenue from Kshs. 1 billion to Kshs. 1.66 billion by 2028.
- iii. Enhance strategy, performance, and enterprise risk management.
- iv. Attract develop engage and retain competent staff compliment.
- v. Strengthen Leadership and governance.

I note that the achievement of the Plan's objectives will require concerted engagement with relevant stakeholders as well as continued Government goodwill, especially the National Treasury & Economic Planning, to spearhead an impactful transformation of the Capital Markets and contribute to Kenya's aspirations of becoming a Regional and International Financial Center.

I am confident that through the commitment of the CMA Board, dedication, and professionalism of the staff of the Authority, the goals of this Plan will be realized.

**Ugas S. Mohamed**  
Chairperson

# PREFACE AND ACKNOWLEDGEMENT



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I want to extend my sincere gratitude to the Government of Kenya, the National Treasury & Economic Planning, and the CMA Board for their strategic guidance and support; our internal and external stakeholders who have contributed immensely to the development of this Strategic Plan. The CMA staff are expected to play a key role, working with all stakeholders, to ensure its full realization.

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The CMA Strategic Plan 2023 – 2028 charts the strategic direction within our broad mandate of regulating and developing the capital and commodities markets for the next five years.

The Plan is the culmination of an extensive analysis of the achievements, learnings, and challenges from the previous Strategic Plan 2018-2023, an internalization of the expectations from our stakeholders, an evaluation of global and emerging trends in capital markets, a comprehensive situational analysis, international benchmarking and alignment with the Government Vision 2030 Fourth Medium Term Plan. The Plan is also in line with the BETA as well as activities identified for implementation after the lapse of the Capital Markets Master Plan (2014-2023). The Plan has also taken into consideration the aspirations of the Sustainable

Development Goals and the African Union Agenda 2063 amongst other institutional, industrial, and national aspirations.

The Authority is committed to achieving its Vision of becoming “**The Trusted Regulator of An Inclusive Capital Markets**” considering the need to enhance inclusivity, build confidence, mobilize development funding, and enhance customer experience. Broadly, the Plan’s key result areas include Growing aggregate market capitalization from Kshs. 5.6 trillion to Kshs. 6.6 trillion by 2028, Growing revenue from Kshs. 1 billion to Kshs. 1.6 billion by 2028, Enhancing strategy, performance, and enterprise risk management, attracting, developing, engaging, and retaining a competent staff compliment and strengthening leadership and governance.

To live up to this Vision, the Plan design model focused on five key perspectives namely, Customers, Financial Sustainability, Internal Business Processes, Learning & Development/Organization Capacity, and Leadership and Governance. The overriding theme within each perspective is to enhance inclusivity in the markets, maintain institutional sustainability, enhance operational excellence, develop agility in dealing with emerging issues and strengthen investor protection and governance respectively.

To achieve these outcomes, the Authority has identified various actionable strategies including, but not limited to, decentralizing capital markets products and services using technology, enhancing strategic alliances, improving market infrastructure and institutional arrangements, easing access to the markets through sustainably revamping the policy and regulatory framework, enhancing investor protection, and improving institutional capacity and capabilities.

It is envisioned that during the planning period, the capital markets will become a significant and viable source of investments and long-term financing contributing to national developmental aspirations and the socioeconomic well-being of Kenya. The Plan also envisages advancing the country's aspirations towards becoming a Regional and International Financial Hub. The Authority will therefore deploy significant resources toward growing the customer base, democratizing the market, enhancing liquidity, optimizing the customer experience, stakeholder engagement, strengthening investor protection mechanisms, improving resource

mobilization, and enhancing strategic influence.

I would also like to reiterate our continued determination to make CMA a world-class regulator of a vibrant capital market over the plan period and beyond. Towards this end, we will continue to actively participate in the regional and international arena to benchmark with international standards and practices.

It is appreciated that the successful implementation of this Plan will depend on commitment from key stakeholders and the availability of resources. The implementation of the Strategic Plan is also reliant on an effective system to monitor the organization's performance against strategic goals. The Authority is therefore committed to ensuring a robust Strategy, Performance, and Risk management system is implemented throughout the Plan period.

I want to extend my sincere gratitude to the Government of Kenya, the National Treasury & Economic Planning, and the CMA Board for their strategic guidance and support; our internal and external stakeholders who have contributed immensely to the development of this Strategic Plan. The CMA staff are expected to play a key role, working with all stakeholders, to ensure its full realization.

**Wyckliffe Shamiah, FCPA**  
Chief Executive Officer

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# KEY CONCEPTS AND TERMINOLOGIES

**Africa Agenda 2063** – A strategic framework for the socio-economic transformation of the continent over the next 50 years from 2013 to 2063

**Aggregate Market Capitalization** - Is the total value of equity and debt securities. Equity Market capitalization refers to the: the total number of issued shares of listed issuers, including their several classes, multiplied by their respective prices at a given time; Debt Market Capitalization refers to total value of issued Government and Corporate debt securities minus redemptions.

**Balanced Scorecard (BSC)** – Is a strategy performance management tool. A well-structured report that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.

**BETA** – Bottom-up Economic Transformation Agenda, the Government Agenda that outlines development priorities under five core pillars: - 1) Agriculture, 2) Micro, Small and Medium Enterprise (MSME) Economy 3) Housing and Settlement, 4) Healthcare and 5) Digital Superhighway and Creative Economy

**Blockchain** - is a decentralized, distributed, and public digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network.

**Chama** - is an informal group that is normally used to pool savings by people in Kenya.

**Customer** – refers to investors, issuers, market intermediaries and the public.

**Derivative** - a contract between two parties which derives its value/price from an underlying asset. The most common types of derivatives are futures, options, forwards, and swaps.

**Flagship Projects** – These are development projects of substantial size with high strategic impact regarding their financial volume, the number of project partners, resources, and the running time.

**FinTech** - FinTech (financial technology) refers to software, mobile applications, and other technologies created to improve and automate traditional forms of finance for businesses and consumers alike.

**Knowledge Management** – It is the capacity of organizations/individuals to identify, capture, retrieve, share, protect and analyse the knowledge of individuals and groups across the organization.

**Mainstreaming** – Integration of cross-cutting actions into various stages of decision making by sectors.

**Monitoring** – Is 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.

**Scheme of Service** – A policy document that provides clearly defined career structures, well-defined job descriptions and specifications, standards for recruitment, training, advancement, career planning, and succession management.

**Securities** – Instruments or products as defined in the Capital Markets Act that are subject to regulation by the Authority.

**Sustainable Development Goals** – Also known as 'Global Goals', are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

**Securities Lending and Borrowing (SLB)** – is the temporary transfer of shares from one party (lender) to another (borrower), with an agreement to return the shares either on demand, or at a future date.

**Kenya Vision 2030** – A Kenyan long-term development blueprint that aims to transform the country into a newly industrializing middle-income nation providing high quality of life to all its citizens by 2030 in a clean and secure environment.

# ACRONYMS AND ABBREVIATIONS

ABS	-	Asset Backed Securities
ABTO	-	Average Bond Turnover
ACCA	-	Association of Chartered Certified Accountants
AML	-	Anti-Money Laundering
ASCA	-	Accumulating Savings and Credit Association
AUM	-	Assets Under Management
BETA	-	Bottom-Up Economic Transformation Agenda
BSC	-	Balanced Scorecard
BOD	-	Board of Directors
CA	-	Current Assets
CAJ	-	Commission on Administrative Justice
CBK	-	Central Bank of Kenya
CCP	-	Central counterparty
CDSC	-	Central Depository and Settlement Corporation
CIS	-	Collective Investment Scheme
CISI	-	Chartered Institute for Securities & Investment
CMA	-	Capital Markets Authority
CMCF	-	The Capital Markets Consultative Forum
CMMP	-	Capital Market Master Plan (2014 – 2023)
CEO	-	Chief Executive Officer
CIS	-	Collective Investment Schemes
CL	-	Current Liabilities
COMESA	-	Common Market for Eastern and Southern Africa
COVID-19	-	Corona Virus Disease
CPMI	-	Committee on Payments and Market Infrastructures
CPSS	-	Committee on Payment and Settlement Systems
CRM	-	Customer Relationship Management
CSD	-	Central Securities Depository
CSP	-	Corporate Strategic Plan
CSR	-	Corporate Social Responsibility
DLT	-	Distributed Ledger Technology
EAC	-	East African Community
ERM	-	Enterprise Risk Management
ERP	-	Enterprise Resource Planning
ERS	-	Economic Recovery Strategy
ESG	-	Environmental, social and governance
ETF	-	Exchange Traded Fund
FDI	-	Foreign Direct Investment
FinTech	-	Financial technology
FSA	-	Financial Services Authority
FSB	-	Financial Services Board
FSDA	-	Financial Sector Deepening, Africa
FSDK	-	Financial Sector Deepening, Kenya
FSSP	-	Financial Sector Support Project
FY	-	Financial Year
GDNs	-	Global Depository Notes
GDP	-	Gross Domestic Product
GDRs	-	Global Depository Receipts
HOD	-	Head of Department

# ACRONYMS AND ABBREVIATIONS

ICF	-	Investor Compensation Fund
ICIFA	-	Institute of Certified Investment and Financial Analysts
ICPAK	-	Institute of Certified Public Accountants of Kenya
ICS	-	Institute of Certified Secretaries
IFC	-	International Finance Corporation
IOSCO	-	International Organization of Securities Commissions
IRA	-	Insurance Regulatory Authority
ISMS	-	Information Security Management System
ISO	-	International Organization for Standardization
KES	-	Kenya Shillings
KPIs	-	Key Performance Indicators
KRA	-	Kenya Revenue Authority
LMO	-	Labour Market Observatory
M & E	-	Monitoring and Evaluation
AMCAP	-	Aggregate Market Capitalization
MmoU	-	Multilateral Memorandum of Understanding
MoU	-	Memorandum of Understanding
MSCI	-	Morgan Stanley Capital International
MTP	-	Medium Term Plan
MWB	-	Must Win Battles
NIFCA	-	Nairobi International Financial Centre Authority
NRF	-	National Research Fund
NSE	-	Nairobi Securities Exchange
NSSF	-	National Social Security Fund
OTC	-	Over the Counter
PESTEL	-	Political, Economic, Social, Technological, Environmental and Legal
PFMA	-	Public Finance Management Act
PFMI	-	Principles for Financial Market Infrastructures
PGN	-	Policy Guidance Note
PPADA	-	The Public Procurement and Asset Disposal Act
PPRMIS	-	Projects, Performance and Risks Management Information System
PRMC	-	Performance and Risk Management Committee
PPP	-	Public Private Partnerships
RBA	-	Retirement Benefits Authority
RegTech	-	Regulatory Technology
REIT	-	Real Estate Investment Trust
ROSCA	-	Rotating Savings and Credit Association
SEC	-	Securities Exchange Commission
SID	-	Securities, Investments and Derivatives
SLB	-	Securities Lending and Borrowing
SRI	-	Socially Responsible Investing
SRO	-	Self-regulatory organization
SupTech	-	Supervisory Technology
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
TCF	-	Treating Customers Fairly
UK	-	United Kingdom
US	-	United States
USD	-	United States Dollar
WRS	-	Warehouse Receipt System

# EXECUTIVE SUMMARY

The Authority is charged with the prime responsibility of regulating the development of orderly, fair, and efficient capital markets in Kenya. The Authority licenses and supervises market intermediaries, conducts on-site and off-site market surveillance to enforce compliance, and promotes market integrity and investor confidence.

The Strategic Plan, 2023-2028, is intended to guide the Authority accomplish its mandate for the period July 2023 to June 2028. The plan aims to develop an Inclusive capital market that is orderly, fair, and efficient by providing the market participants with a wide range of products and market infrastructure while safeguarding their interests. This Strategic Plan comes at an important time when the Government has set out its development priorities through BETA. Therefore, to ensure that Kenya’s Capital markets support the economic development agenda, the Plan has been aligned with the Government’s Agenda and other local and international priorities including the Vision 2030 Fourth Medium Term Plan (MTPIV), the Capital Markets Master Plan (CMMP), the United Nations’ Sustainable Development Goals and the Africa Union Agenda 2063.

In developing this Plan, a participatory approach was adopted that entailed the involvement of the Board, management, staff, and stakeholders through various

Strategic Planning workshops. A review of the core business, vision, mission, and core values was undertaken. An assessment of the past performance was carried out focusing both on the internal and external environment. The rapidly evolving technological landscape was also taken into consideration. In addition, an international benchmarking desk analysis was carried out to evaluate how Kenya’s capital market development compares to that of other developed and emerging markets such as South Africa, Peru, Argentina, Indonesia, Malaysia, Turkey, India, USA, and the UK. This analysis assisted in the development of new initiatives anchored on global and regional capital markets’ best practices that will assist the Authority in ensuring that Kenya’s capital markets attain the MSCI emerging market status.

A variety of tools were used to understand the operating environment in detail including Functional Analysis, PESTEL Analysis, and Stakeholder Analysis. The situational analysis culminated in the identification of the strategic themes. The strategic themes were developed using the Balanced Scorecard (BSC) Model which was adopted in developing the 2023 – 2028 Strategic Plan. The strategic theme for each perspective and intended goals are listed below.

**Table 1: Strategic Goals**

S. No	Strategic Issues	Strategic Theme	Strategic Goal
1	Customer Focus	Inclusivity	Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028
2	Financial Stewardship	Sustainability	Grow revenue from Kshs. 1B to Kshs. 1.66B by 2028
3	Internal Business Processes	Operational Processes and Procedures	Service delivery excellence
4	Organizational Capacity / Learning & Growth	Agility and Leadership	Attract, develop, engage and retain competent staff compliment
5	Leadership and Governance	Effective Governance	Strengthened Leadership and Governance

To achieve the desired objectives, an implementation matrix was developed which outlined strategies, expected outcomes, activities, implementation indicators, implementing actors, time frames, and related costs for each strategic objective.

To enhance the successful implementation of the Strategic Plan, a monitoring, evaluation, and learning (MEL) framework which emphasizes periodic performance reviews was developed. The Strategy, Risks, and Projects Department will be responsible for the coordination and review of the implementation status of the Strategic Plan.

In addition, the Strategic Plan has been aligned with the Enterprise Risk Management Framework. The Strategic Plan provides a context for risk management by defining the Authority’s goals and objectives, which in turn shape the risk appetite and risk tolerance levels. The risk framework supports the Strategic Plan by providing a systematic way to identify potential risks that could hinder the achievement of strategic objectives. It enables Authority to proactively assess and manage risks, ensuring that the Strategic Plan remains on track and is adaptable to changing circumstances.



# 1

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## INTRODUCTION

# INTRODUCTION

This chapter provides the context of Strategic Planning in line with global, regional and national policies as well as the methodology used to develop the Strategic Plan. Background information including the mandate of CMA is also provided.

## 1.1 Strategy as an Imperative for Organizational Success

The Capital Markets Authority (CMA) is an independent public agency established by an Act of Parliament, Cap 485 A in 1989 under the Ministry responsible for Finance, now the National Treasury and Economic Planning by Executive Order 1 of 2023. CMA is charged with the prime responsibility of supervising, licensing and monitoring the activities of market intermediaries, including the Stock Exchange and the Central Depository and Settlement Corporation (CDSC). It also regulates all licensees under the Capital Markets Act, including Online Forex, Commodities and Derivatives markets. The Authority projects to grow the value of the capital markets from Kshs. 5.6 trillion to Kshs. 6.6 trillion during the tenure of this plan.

An organizational strategy is a long-term plan that allocates how organizations structure their resources in a way that supports their operational activities. When used effectively, it can improve the decision-making process and help guide the team toward the achievement of identified goals and objectives. The Authority commits to achieve its corporate objectives anchored on the organization issues and key result areas. The strategy includes detailed assessment of what CMA will accomplish by providing guidance and consistency in its actions.

Organizational success is contingent on the extent to which there is a fit between the organization and its environment, which can be established using tools such as Functional (Internal) and PESTEL Analysis. In addition, a systematic, rational, and analytical approach to decision-making generates more positive outcomes as Strategic Plans offer such an approach to assisting decision-making in the context of establishing purposes, goals, and strategies to effectively deal with strategic issues. In the long term, organizations with goals perform better because goals ensure that activities and resources are focused on addressing core issues and teams understand the priorities of the organization.

## 1.2 The Context of Strategic Planning

The Strategic Plan is intended to guide the Authority to accomplish its key responsibility of supervising, licensing, and monitoring the activities of market intermediaries as well as the implementation of market-deepening initiatives. The plan also provides a framework that will enable the Authority to monitor, evaluate and report its performance. This will be the 6th Strategic Plan that will guide the strategic direction of the Authority for the next five years.

In developing this Strategic Plan, consideration of national development priorities, regional and international development frameworks was made, namely:

- i. The Constitution of Kenya 2010
- ii. Kenya Vision 2030 - Medium Term Plan IV (2023-2027)
- iii. The Government Agenda i.e., Bottom-up Economic Transformation Agenda (BETA)
- iv. The East African Community Vision 2050
- v. The Africa Union Agenda 2063.
- vi. The United Nations Sustainable Development Goals 2030.
- vii. The Capital Markets Master Plan (2014 – 2023)
- viii. The Capital Markets Act

### 1.2.1 The role of CMA in the Constitution of Kenya 2010

As a public agency in the financial sector, The Authority shall be guided by the principles of accountability, transparency, prudence, and public participation in matters relating to capital markets. The Authority's role also enables the fulfilment of economic and social rights with towards playing a role in achieving economic outcomes.

### 1.2.2 The role of CMA in the Fourth Medium Term Plan (2023-2027) of the Vision 2030

The key objective of the 2030 MTP-IV for the financial services sector, under which CMA falls, is to mobilize savings to realize a savings to GDP ratio of 25-28 per cent as envisaged in the macroeconomic framework underpinning the Vision 2030. This level of savings will sustain an increase in the ratio of investment to GDP of around 30-32 per cent, with a growing amount of resources channeled to support the agriculture, manufacturing and other key sectors identified under Vision 2030, including lending to micro, small and



# INTRODUCTION

medium enterprises (MSMEs). This will also further the government's policy objectives under the Economic Recovery Strategy (ERS), which articulated improved access to financial services for a much larger number of Kenyan households and small enterprises; greater efficiency in the delivery of financial services; and ensure the chances of a financial crisis are kept to a minimum.

The development of efficient and transparent capital markets with a critical mass of issuers that mobilize funds for long-term investment is one of the key specific objectives the MTP aims to achieve.

Other major developments include the launching by the Kenya Government of the Nairobi International Financial Centre (NIFC), a flagship initiative under the economic pillar of Kenya's Vision 2030. NIFC is designed to strengthen the country's global competitiveness by making it easier and more attractive to invest and conduct financial services, transactions, and related activities.

## 1.2.3 Alignment of the CMA Strategic Plan 2023 – 2028 with the Bottom-Up Economic Transformation Agenda (BETA)

To achieve economic turnaround and inclusive growth, the Government is addressing constraints to economic growth and bolster resilience through the Bottom-Up Economic Transformation Agenda (BETA).

The agenda targets to increase investments in at least five sectors – with largest impact and linkages to the economy and household welfare. These sectors are agriculture, the Micro, Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Healthcare and Digital Superhighway and Creative Economy.

CMA shall play an important role in aiding the Government to increase investments in MSME economy and in the delivery of the housing plan. This CMA Strategic Plan outlines strategies that shall help the MSME sector in accessing capital through listing, among other initiatives. The Strategic Plan also outlines measures that can enhance the uptake of REITs (Real Estate Investments Trusts), given that increased activity in this product could significantly contribute to facilitating the delivery of 250,000 houses per annum. CMA will also be actively involved in the implementation of structured commodities trading in Kenya which will provide significant socio-economic benefits within the Agricultural sector.

## 1.2.4 The role of CMA in East African Community Vision 2050

The Vision 2050 pinpoints the rationale as that of providing a catalyst for the region to enhance transformation for growth and development and move the community to a higher income cohort by creating a conducive environment for investment, coupled with effective institutional capacities.

Issues related to EAC capital markets integration are addressed by the EAC capital markets sub-committee under the Capital Markets Insurance and Pensions Committee (CMIPC). Nevertheless, the EAC securities regulators and market participants have each formed regional associations to progress issues of capital markets integration; the East African Securities Regulatory Authorities (EASRA) for securities regulators and the East African Stock Exchanges Association (EASEA) for market participants.

The work of EASRA and EASEA feeds into the overall EAC regional integration agenda through the CMIPC. The most outstanding achievement in terms of EAC capital markets integration so far has been the cross-listing initiative that has made it possible for seven (7), five (5), and three (3) companies to cross-list from the Nairobi Securities Exchange (NSE) to the Uganda Securities Exchange (USE), Dar-es-Salaam Securities Exchange (DSE), and Rwanda Securities Exchange (RSE) respectively. A road map for the integration of the EAC capital markets has also been developed to guide the integration process in the EAC capital markets industry in light of the EAC Common Market Protocol and in preparation for the proposed East African Monetary Union.

## 1.2.5 The role of CMA in African Union Agenda 2063

The African Union Agenda 2063 is a long-term strategic framework for the socio-economic transformation of the African continent over the next 40 years. Its goal is to create a prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena. One of the key provisions of Agenda 2063 includes:

***A prosperous Africa: Agenda 2063 aims to achieve inclusive economic growth and sustainable development across the continent, by harnessing Africa's resources, promoting industrialization, and building a competitive African economy.***

# INTRODUCTION

In developing this Strategic Plan, the team put in perspective the African Union Agenda 2063, by developing strategies that will enhance financial inclusion. The access and use of a range of affordable financial services by individuals and businesses who are currently underserved or excluded from the formal financial system, including the small and medium-sized enterprises, shall promote economic growth and reduce poverty by enabling individuals and businesses to save, borrow, invest, and manage risk more effectively, and participate in the formal economy.

## 1.2.6 The role of CMA in United Nations Sustainable Development Goals 2030

Capital markets fulfil critical functions within an economy, such as offering consistent access to a broad set of investment opportunities. The Financing for SDG agenda has emphasized the importance of long-term financial flows to developing countries.

In this regard, capital markets represent an important capital mobilization and deployment mechanism in the financing of SDGs. The Capital Markets Authority is cognizant of this fact and that sustainability is key to the longevity of the capital market and its long-term financial sustainability. CMA strives to design policies and regulations that promote investment chains that are aligned with long-term performance and sustainability indicators that reduce excess volatility.

## 1.3 History of the Capital Markets Authority

The Capital Markets Authority (CMA) is a State Corporation that was established in 1989 through an Act of Parliament Cap. 485A Laws of Kenya. The CMA is a body corporate with perpetual succession and a common seal, constituted and inaugurated in 1990. The Authority is charged with the prime responsibility of regulating the development of orderly, fair, and efficient capital markets in Kenya. The Authority licenses and supervises market intermediaries, conducts on-site and off-site market surveillance to enforce compliance and promotes market integrity and investor confidence.

The principal objectives of the Authority are:

- i. The development of all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for longer term investments in, productive enterprises.
- ii. To facilitate the existence of a nationwide system of securities, commodities and derivatives markets and brokerage/intermediation services to enable wider participation of the public.
- iii. The creation, maintenance, and regulation, of a market in which securities can be issued and traded in an orderly, fair, and efficient manner, through the implementation of a system in which the market participants are self-regulatory to the maximum practicable extent.
- iv. The protection of investor interests.
- v. The facilitation of a compensation fund to protect investors from financial loss arising from the failure of a licensed broker or dealer to meet their contractual obligations; and
- vi. The development of a framework to facilitate the use of electronic commerce for the development of capital markets in Kenya.

## 1.4 Methodology of Developing the Strategic Plan

A participatory Strategic Planning process was adopted in the preparation of this Strategic Plan. This was aimed at ensuring ownership, inclusivity of all stakeholders and effective implementation of the Strategic Plan. The process entailed involvement of the Board, Management, staff, and all categories of stakeholders in the Strategic Plan preparation process. Different categories of stakeholders were engaged through a customized online questionnaire, webinar and face-to-face meetings to capture their views and suggestions to be incorporated in the Strategic Plan. Specifically, the following methodologies were used:

### 1.4.1 Initiation of the Strategic Planning Process

A Strategic Planning Project Realization Team comprised of the entire senior management team was constituted to oversee the successful development of the CMA 2023-2028 Strategic Plan. In addition, the team comprehensively reviewed the implementation of the previous plan as well as developed a strategic framework to guide in the development of this plan.

# INTRODUCTION

## 1.4.2 Document Review

This phase involved reviewing the documents submitted by CMA and any other public documents relevant to the operations of the Capital Markets in Kenya and beyond. The review of internal documents formed the basis for appraising the implementation of the 2018 -2023 Strategic Plan and previous strategic initiatives. The review of public documents helped in understanding the current market environment in Kenya, the emerging trends in capital markets globally and how these changes might affect the implementation of any current or new initiatives. In addition, an international benchmarking desk analysis was carried out to evaluate how Kenya's capital market development compares to that of other relevant international countries based on several important metrics. These reviews assisted in the development of new initiatives anchored on global and regional capital markets' best practices.

## 1.4.3 Stakeholder Engagement

Key stakeholders were consulted in order to gather insights on whether CMA addresses their expectations and document their views and suggestions on how their

needs would be met. A Stakeholder Engagement Tool was administered online for collecting their views and suggestions, in addition to face-to-face engagements with key stakeholders. This was aimed at gathering information that enlightened the Strategic Planning process including the development of strategic objectives and setting of targets for the next five years.

## 1.4.4 Strategic Planning Workshops

In developing this Strategic Plan, several workshops were held with various teams including the Management, Board, and the Strategic Plan project realization team on diverse dates. These workshops were key in collating input into the development of the plan. The workshops also increased ownership of priorities identified in this Strategic Plan. This included validation workshops with relevant stakeholders.

## 1.4.5 Dissemination of the Strategic Plan

The Plan will be disseminated to market participants as well as published on our website.

The image features a large, diagonal split. The upper right portion is a photograph of three people in silhouette standing on a dark ledge or cliff. They are positioned against a bright, low sun, creating a strong lens flare and casting long shadows. The person on the left is pointing upwards with their right hand. The person in the middle is also pointing upwards with their right hand. The person on the right is pointing upwards with their left hand. The background shows a hazy horizon with distant mountains or hills. The lower left portion of the image is a solid, dark yellowish-gold color.

# 2

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**STRATEGIC  
DIRECTION**

# STRATEGIC DIRECTION

This chapter covers the Authority’s mandate, vision, mission, core values and quality policy statement.

## 2.1 CMA’s Mandate

The Capital Markets Authority (CMA) is an independent public agency established by an Act of Parliament, Cap 485 A of the laws of Kenya. CMA is charged with the prime responsibility of supervising, licensing, and monitoring the activities of market intermediaries, including Securities and Commodity Exchanges and Central Securities Depositories. In addition, the Authority is mandated with the promotion of development of all aspects of the capital markets.

## 2.2 Vision Statement

The trusted Regulator of an Inclusive Capital Markets.

## 2.3 Mission Statement

To regulate and promote the development of an orderly, fair, and efficient capital and commodities markets that safeguard stakeholder Interests.

## 2.4 CMA Strategic Goals

In development of the sixth Strategic Plan (2023 – 2028) the following five strategic goals were adopted to guide CMA operations for the plan period:

**Table 2: Strategic Goals**

Balance Score Card (BSC) Perspective	Theme	Strategic Goal
Customer Focus	Inclusivity	Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028
Financial Stewardship	Sustainability	Grow revenue from Kshs. 1B to Kshs. 1.66B by 2028
Internal Business Processes	Operational Processes and Procedures	Service delivery excellence
Organizational Capacity / Learning & Growth	Agility and Leadership	Attract, develop, engage and retain competent staff compliment
Leadership and Governance	Effective Governance	Strengthened Leadership and Governance

## 2.5 CMA Core Values

The Authority is guided by the following core values abbreviated as **CAPITAL**:



**C - Customer focus:**  
We are dedicated to providing exceptional service and value to our customers, and we strive to exceed their expectations in every interaction.



**A – Accountability and Integrity:** We are committed to acting with honesty, fairness, transparency, ethically and above board in all our operations.



**P – Professionalism:**  
We are committed to upholding the highest standards of behavior, ethics, and expertise in all our interactions.



**I – Innovativeness:**  
We embrace creativity and innovation as the driving force behind our success, constantly seeking new and better ways to meet the needs of our customers and stay ahead of the competition.



**T - Teamwork and Trustworthiness:**  
We encourage open communication, mutual respect, and shared decision-making among our employees and partners.



**A - Agility and continuous learning:** We are dedicated to providing exceptional service and value to our customers, and we strive to exceed their expectations in every interaction.



**L – Leadership:**  
We are committed to leading by example, setting high standards, and inspiring others to achieve their full potential.

# STRATEGIC DIRECTION

## 2.6 CMA Quality Policy Statement

The Authority will proactively regulate and promote the development of robust capital and commodities markets in Kenya by:

- i. Operating a Quality Management System (QMS) within the context of ISO 9001 and applicable legal requirements.
- ii. Determining, monitoring, and reviewing internal and external issues relevant to its mandate and strategic direction.
- iii. Determining, monitoring, reviewing, and meeting stakeholders needs and expectations.
- iv. Establishing and monitoring achievements of its quality objectives.
- v. Managing risks and leveraging opportunities.
- vi. Pursuing continual improvement of the QMS.
- vii. Ensuring that the quality policy is communicated, understood, and applied within the Authority and is accessible to all its stakeholders.



# 3

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## SITUATIONAL AND STAKEHOLDER ANALYSIS

# SITUATIONAL AND STAKEHOLDER ANALYSIS

This chapter presents a situational analysis of the operating environment which includes internal and external environments that influence the conduct of CMA operations and realization of the desired goals and objectives. Several tools were used to evaluate the environment which include Functional, PESTEL, and Stakeholder Analysis. It also analyses the past performance of CMA for the plan period 2018 - 2023, milestones achieved, challenges and lessons learnt.

## 3.1 Situational Analysis

### 3.1.1 External Environment

The Strategic Plan has been informed by a comprehensive review of global, regional, and local challenges in capital markets development, as well as emerging trends.

#### 3.1.1.1 Macro Environment

##### 3.1.1.1.1 Global, Regional and National Development Challenges in Capital Markets

For the past two years, the global economy has continued to experience slow growth due to several causes such as the effects of the Covid-19 pandemic, climate change driven disruptions, the conflict in Ukraine and the resultant disruption of commodity supply-chains, specifically affecting energy and food supply. The forces pose major challenges in the way global capital markets operate.

Strong and resilient financial markets contribute to socioeconomic stability as well as the development of inclusive and sustainable economies through the efficient allocation of both internal and external resources. Due to the contraction of the global economy and unfavorable market conditions, it has become increasingly difficult for African countries to tap into international markets to finance their budgets and programs. These challenges emphasize the need for and importance of vibrant domestic financial markets to enhance resilience to external shocks and generate alternative sources of funding.

As Africa strives to achieve the 2030 Agenda for Sustainable Development and Agenda 2063 of the African Union, while struggling with the said global shocks, it requires more and innovative sources of funding as well as more inclusive financial systems. Advances in technology contribute to achieving the latter, offering equitable and universal access to affordable finance for all, and ensuring that no one is left behind. Financial markets can provide innovative and streamlined solutions at scale that address the unique features of African economies and support

the development of local businesses. By deepening and expanding domestic capital markets, liquidity can be increased, costs of capital reduced, and green and innovative instruments developed. This requires stronger institutional and regulatory frameworks that promote transparent and efficient markets and increase investor confidence.

At the domestic front, in 2020, the COVID-19 pandemic shock hit the economy hard, disrupting international trade and transport, tourism, and urban services activity. Fortunately, the agricultural sector, a cornerstone of the economy, remained resilient, helping to limit the contraction in GDP to only 0.3%. In 2021, the economy staged a strong recovery, growing at 7.5%, albeit some sectors, such as tourism, remaining under pressure. GDP growth was projected at 5.5% in 2022 and the poverty rate has resumed its trend decline after rising earlier during the pandemic. Although the economic outlook is broadly positive, it is subject to elevated uncertainty, including through Kenya's exposure (as a net fuel, wheat, and fertilizer importer) to the global price impacts of the war in Ukraine. These factors will impact on the development of the Kenya's capital market.

#### 3.1.1.1.2 Global Trends and Emerging Issues in Capital Markets

As the world's economies rebound, market participants broadly recognize a need for reforms to the established modus operandi, to build resilience, to remain competitive in the face of innovation, and to retain their customers' trust. Some of the issues the capital markets will have to address include:

- i. **Financial inclusion:** This will involve removing the barriers to entry for the retail investors to allow for more participation in addition to reforms geared towards reducing the cost of trading. It will also encompass reforming the regulatory agenda to stimulate growth.
- ii. **Digital Assets:** The trading of digital and crypto assets is likely to rise in the capital market. Amid increasing regulatory mandates, the ability to issue and trade securities digitally will bolster task automation and improve performance. Investors are increasingly interested in a more transparent, cost-effective, and secure system that securities tokenization / digital assets can offer. Digital assets can significantly simplify governance processes through voting or securities pay-out distribution which will improve efficiency and reduce processing fees. Derivatives also promise to be a very significant,



# SITUATIONAL AND STAKEHOLDER ANALYSIS

liquid, and profitable arena of cryptocurrencies. Crypto derivatives are likely to be the largest and most innovative area of this new asset class. This is likely to increase/improve cross-border capital market activities soon. As regulators across the globe attempt to manage crypto markets and figure out how to apply existing laws, tokenized securities offer the opportunity for more compliance and control.

- iii. **Moving to a transparent and accurate sustainability agenda:** Responsible investors now realize climate risk is an investment risk, and that they must direct significant capital to tackle the issue. As such, the industry's approach to environmental, social, and corporate governance (ESG) has matured. Initial ESG efforts centered on data and reporting. Recently, though, there has been a growing trend toward greater accuracy and transparency, which brings accountability, ensuring that meaningful change happens at scale.
- iv. **Financial Technology (FinTech):** Today, innovation in capital markets is no longer an option, but an absolute imperative to survive and thrive in the future. Rapid changes in customer needs, and pressures to optimise costs are impacting the technology landscape. Although Fintech companies in retail financial services have often competed with traditional players by disintermediating them and taking their market share, it has become evident in recent times that collaboration rather than competition would yield the greatest results for the Capital Market going forward. However, this would entail building a collaborative ecosystem that would help reduce structural and operational costs and enable enhanced regulatory compliance and better service to customers. Further, the focus areas for fintech in capital markets are automation, data analytics and intelligence, and customer satisfaction through safe access.
- v. **Addressing concerns around data and cyber security:** Capital markets processes have become

more digital as market participants demand faster execution speeds and seamless access to information. These technologies accelerate changes in the industry, but also raise concerns around cyber security and data protection. Data is emerging as its own asset class, and data management infrastructure is a key growth area for traditional financial firms. Institutions are actively seeking ways to leverage analytics to remain nimble and promote growth. But questions remain around how firms can innovate safely, benefiting from a more agile use of data while mitigating risks.

- vi. **Private Financial Markets:** Private financing activities have seen unprecedented growth with certain types of private funds, which broadly cover the activities of private equity and private credit funds, having an increasingly significant share of the overall financial markets. Securities regulators will need to explore whether behaviors in these markets have impacts or negative spillovers on public markets, particularly within the context of a depressed economic environment.
- vii. **Supporting Market Effectiveness:** It remains essential for capital markets to be resilient and effective, particularly in the face of increasing episodes of market volatility and the changing macro-financial environment which have created new challenges for market participants and underscored the importance of maintaining strong market infrastructure to support resilient primary issuance and secondary markets trading activities across the full range of tradeable assets.
- viii. **Protecting Investors:** The protection of investors, particularly retail investors, is a critical objective of capital markets regulation. It remains essential to monitor and address misconduct and promote investor protection and education initiatives. This encompasses efforts to enhance investor protection and promote a regulatory environment that supports fair, efficient, and transparent markets.

# SITUATIONAL AND STAKEHOLDER ANALYSIS

## 3.1.2 Summary of Opportunities and Threats

The table below summarizes opportunities and threats using the Political, Economic, Social-Cultural, Technological Environmental & Social Governance and Legal Environment (PESTEL) model.

**Table 3: Summary of Opportunities and Threats**

Factor	Issue	Opportunities	Threats
Political	The African Continental Free Trade Area (FTA).	Potential African trade integration aimed at raising productivity and investment, and thereby increasing opportunities to fundraise through capital markets.  Increased external opportunity (due to opening) of the local market to external competition.	Prevalence of non-tariff barriers (NTBs).  Political uncertainty.  Delay in the implementation of trade rules by the signatories to the trade agreement.
	Africa Exchanges Linkage Project.	Increased cross-border securities issuance, trading investment, and capacity building.	Delay in the harmonization of EAC capital markets policy and legal framework by member states.
	EAC initiatives.	Expansion of the capital market to include members of the FTA.	Service delivery excellence.
	Government Development Agenda.	Improved performance of the country's capital market products (ABSs, IPOs, and REITs).  Increased socio-economic inclusivity and productivity in Kenya.	Limited uptake of capital markets to support implementation of the Government Agenda through enhancing access to competitive long-term development financing.
	Government goodwill on divestiture through capital markets.	Increased listings on the exchange (NSE).	Delay in implementation of the GoK Privatization Plan.
	Devolution Financing Needs.	Increased participation in capital markets through more issuances and investor participation.	
	Election cycle dynamics.	Increased confidence in the market.  Increased foreign portfolio flows.	Market disruptions.  Foreign investor flight.
	Global Geo-political shifts.	Development of domestic economy and markets.	Volatility in currency and equity markets.
Economic	Economic instabilities and wars e.g., war in Ukraine (supply chain disruptions).	Development of domestic economy and markets.	Volatility in currency and commodity markets.
	Macroeconomic environment.	Increased product and service uptake.	High Interest Rates.  Reduced market activity due to uncertainty.
	Pandemics, endemics, epidemics.	Increased market activity in some asset classes.  Development of an effective crisis management framework.	Uncoordinated response teams.
	Competition from private and alternative finance markets.	Ease access to, and competitiveness of, public capital markets.	Delayed implementation of market reforms.

# SITUATIONAL AND STAKEHOLDER ANALYSIS

Factor	Issue	Opportunities	Threats
<b>Social-Cultural</b>	Ethically driven investors (Social, Shariah Compliant).	Broaden product and service base.	Product misconception.
	Youthful demographic (more 'tech' savvy).	Digitization of the value chain.	Slow digitalization of traditional distribution channels.
	Low capital markets literacy levels.	Increased investor education and awareness.	Investor apathy.
	SME's unenthusiastic perceptions towards capital markets financing	Develop an appropriate regulatory framework for inclusion.	Low uptake of products and services.
<b>Technological</b>	Digitalization of Value Chain (especially distribution channels).	Increased retail investor participation.	
	Application of distributed ledger technology (Tokenization, Blockchain, Crypto, Machine Learning, Artificial intelligence).	Real-time tracking and settlement of transactions . Reduced costs. Increased efficiency.	Delayed in development of a policy and regulatory framework.
	The growing influence of social media.	Enhanced public engagement. Enhanced brand visibility.	Market manipulation and volatility.
	Cyber security challenges.	Continual sensitization and capacity building. Deployment Cyber security tools.	Disruption of services. Loss of data and resources.
	The growth of digital assets.	Development and Implementation of National Digital Assets Policy. Build capacity in supervision of digital asset markets.	Increased risk of investor exploitation. Inadequate market supervision capabilities.
<b>Environmental &amp; Social Governance</b>	Compliance with the Environmental, Social & Governance (ESG) Framework.	Enhanced capacity building and sensitization to implement ESG framework. Alignment of CMA reporting to include ESG framework.	Resistance to reforms.
	Climate Change. Carbon reduction.	Adopt a reuse and recycle approach. Implement green financing frameworks. Encourage climate risk disclosure. Implementation of National Tree Restoration Campaign.	Low public awareness. Delayed implementation of a domestic carbon market value chain.
<b>Legal</b>	Challenges with the Implementation of Commodity Markets Regulations.	Develop and Implement piloting framework for commodities exchanges. Enhanced stakeholder engagement Implementation of structured commodities trading leading to commodity pricing discovery and transparency, less price volatility and increased forex inflows.	Resistance to reforms.
	Expiry of the CMA statutory instruments.	Development of new and fit for purpose regulatory framework informed by current market needs.	Delayed implementation due to lengthy process.

# SITUATIONAL AND STAKEHOLDER ANALYSIS

Factor	Issue	Opportunities	Threats
	Uncertain Policy (Fiscal) Framework (Taxation policies).	Enhanced Policy Advocacy.	Investor and issuer apathy.
	Increased litigation culture.	Enhance Clarity of the regulations. Sensitization of the judiciary. Sensitization of internal staff within CMA. Build internal litigation advisory capacity.	Increased legal costs to the Authority. Delay in execution of CMA mandate.
	The complexity of the Capital Markets Act arising from its numerous amendments over time.	Overhaul CM Act.	Delays due to lengthy Statutory process.

## 3.1.3 Internal Environment

In the evaluation of its internal environment, the Authority employed a functional analysis model to gauge its suitability for the Strategic Plan implementation. This assessment encompasses various key aspects:

### 3.1.3.1 Governance and Administrative Structures

CMA is equipped with a fully constituted Board of Directors, adhering to the guidelines set forth in the Mwongozo Code. The Board convenes regularly and efficiently delegates responsibilities to the management team, led by the Chief Executive Officer, aligning with the Authority's objectives. CMA's organizational culture centers on excellence and empowerment, which permeates its daily operations, driving the Authority toward the fulfillment of its mandate.

### 3.1.3.2 Internal Business Processes

An evaluation of CMA's systems, processes, and standard operating procedures revealed a strong reliance on technology. This technological integration has significantly automated CMA's internal business processes, enhancing its overall efficiency. While the Authority has made commendable progress, there is an identified area for improvement in reducing bureaucratic elements, which will further elevate CMA's efficiency. It is noteworthy that CMA's commitment to operational excellence has earned it certification under the ISO 9001:2015 Quality Management Standard.

### 3.1.3.3 Resources and Capabilities

Periodic skills and resources gap analyses empowers the Authority to identify and leverage its strategic advantages. This analysis delves into its unique combination of assets, skills, and capabilities within the organization. The Authority's dedicated and competent staff are well-equipped to manage day-to-day operations and sustain its organizational activities. However, the Authority recognizes the imperative to enhance revenue generation and optimize talent utilization.

### 3.1.3.4 Corporate Image

The Authority takes pride in its esteemed reputation within the industry. Its innovative regulatory approaches have earned it recognition as a leading innovator in the field of Capital Markets. This reputation plays a pivotal role in fostering customer confidence. Furthermore, CMA actively participates in various international financial market standard-setting bodies. Nevertheless, there is room for improvement in increasing the Authority's visibility to demystify capital markets operations.

### 3.1.3.5 Regulatory Framework

CMA has developed an internationally benchmarked regulatory framework designed to enhance flexibility as well as foster innovation, growth, and integrity within the capital markets. However, the dynamic landscape of digitalization calls for heightened agility in developing versatile frameworks to effectively supervise emerging technologies.

# SITUATIONAL AND STAKEHOLDER ANALYSIS

## 3.1.4 Summary of Strengths and Weaknesses

Strengths and Weaknesses analysis provides a tool to explore the internal factors that may influence the organization's environment. It allows an organization to look through to establish any changes that may have occurred to consequently plan and act effectively. The assessment is based on functional analysis which are significant contributors towards achievement of the strategic objectives. The table below details the outcome of the analysis.

**Table 4: Summary of Strengths and Weaknesses**

Factor	Strengths	Weakness
Governance and Administrative Structures.	Strong governance structure.	Sub-optimal leveraging of strategic influence through lobbying and advocacy.
	Organizational culture of empowerment and commitment to excellence.	
	Enabling statutes and clear mandate that is founded in law.	
Internal Business Processes.	Integration of technology to drive business leading to high automation of Internal processes.	Limited infrastructure and capacity to collect, build, and analyze Big Data.
Leadership and Governance.	Internationally - benchmarked standards in product and service delivery.	Increased bureaucracy in some operational respects due to legal requirements, leading to inefficiency.
	Efficient internal procedures and processes.	
Resource and Capabilities.	Competent and skilled staff.	Suboptimal talent utilization.
	Ability to self-sustain operations	New and existing products not accompanied by adequate resources/fees to manage.
	Conducive working environment.	
Corporate Image.	High reputation among global peers and international recognition.	Low Brand Visibility.
	Representation in various international financial markets standard setting bodies.	
	Good brand image.	Low social media presence.
Regulatory Framework.	A flexible regulatory framework that facilitates market deepening and innovation.	Limited technical capacity to effectively evaluate and supervise new technologies within the context of digitization of product/service value chains.
	Strong investor protection.	Lengthy dispute resolution process.

# SITUATIONAL AND STAKEHOLDER ANALYSIS

## 3.1.5 Analysis of Past Performance

This section reviews the CMA performance in implementing the Strategic Plan 2018-2023 based on six strategic objectives as follows:

1. Ensure a robust, facilitative, and responsive policy and regulatory framework for capital market development and efficiency.
2. Facilitate the development, diversification, and uptake of capital market products and services.
3. Ensure sound market infrastructure, institutions, and operations.
4. Leveraging technology to drive efficiency in the capital markets value chain.
5. Ensure optimal institutional efficiency and effectiveness of the CMA, and
6. Enhancing strategic influence.

### 3.1.5.1 Key Achievements

The overall attainment level of actions in the Strategic Plan was 83%. This achievement was primarily attributed to factors such as improved investor protection, enhanced service delivery and operational efficiency, diversification of products, increased focus on education, awareness, and stakeholder engagement, as well as innovation. However, anticipated outcomes were negatively affected by lower product adoption in certain asset classes and a bearish economic environment, resulting in reduced company valuations and liquidity. Furthermore, other challenges related to the delayed implementation of commodities markets, market infrastructure, and county financing initiatives. The performance or achievements relating to specific objectives are outlined below.

**Ensure a robust, facilitative, and responsive policy and regulatory framework for capital market development and efficiency:** The objective was partially achieved. The target on issuances was surpassed. An institutional, Policy, and Regulatory Framework for commodities markets was developed but successful operationalization of the regulations was delayed due to resistance to the reforms. Also, several pieces of legislation were reviewed. However, the market was not able to achieve an MCSI Emerging market ranking due to size and liquidity indicators not meeting defined thresholds.

**Facilitate the development, diversification, and uptake of capital market products and services:** This objective was broadly achieved. This was mainly due to the implementation of an enhanced awareness and education program as well as the introduction of new

products and services. However, the bearish economic conditions due to the Covid 19 pandemic persisted leading to a decline in market activity.

**Ensure sound market infrastructure operations and institutions:** This objective was achieved. The main drivers included the enhancement of investor protection measures, as well as the modernization of market infrastructure including trading, clearing, and settlement systems.

**Leveraging technology to drive efficiency in the capital markets value chain:** This objective was achieved. This was mainly driven by the establishment of the regulatory sandbox to facilitate innovation, and improvement in service delivery through leveraging automation of business processes.

**Enhancing Strategic Influence:** This objective was achieved. Key enablers included the implementation of several MoUs aimed at deepening the markets, as well as the operationalization of a robust strategy implementation, monitoring, and evaluation system which significantly enhanced performance. However, a key challenge was the delayed operationalization of policy and regulatory reforms.

**Ensure optimal institutional efficiency and effectiveness of CMA:** This objective was broadly achieved. The main drivers included the implementation of enhanced stakeholder engagement programs, as well as the institutionalization of good recruitment methods and a conducive work environment. However, due to decreased market activity resulting from the COVID-19 pandemic, revenue targets were slightly missed.

Despite the obstacles faced, the Authority successfully implemented a robust risk management framework and employed impactful interventions to address unfavourable developments and reasonably achieve strategic objectives. One of these interventions was the development of the Short-term Recovery Strategy, which aimed to mitigate the socioeconomic effects of the pandemic and establish sustainable market growth. Key initiatives that contributed to market recovery included the introduction of liquidity-enhancing measures such as intra-day trading, securities lending, borrowing, short selling, and margin trading, as well as the elimination of pre-funding and pre-validation requirements. Additionally, over-the-counter bond trading was

# SITUATIONAL AND STAKEHOLDER ANALYSIS

facilitated. The policy and regulatory framework were also reviewed to support equity and debt financing for businesses of all sizes, fostering growth and expansion. The Authority further facilitated the creation of technological platforms to enhance retail investor access to the markets and promoted the utilization of digital technology in compliance, education, and awareness programs.

Defined key performance indicators based on market outcomes have been identified and directly linked to specific strategic initiatives. The overall key performance indicators and their level of achievement (determined using the traffic light system) are summarized in the table below.

**Table 5: Achievement of Outcomes**

Strategic Objective	Strategic Initiative	Overall KPIs	Status (2018)	Target (2023)	Status (2022)	Level of Achievement (TL)	Comments
Ensuring a robust, facilitative, and responsive policy and regulatory framework for capital market development and efficiency.	Enhance the responsiveness and enforceability of the policy and regulatory framework to improve the investor experience.	MSCI Ranking.	Frontier Market Status.	Emerging Market Status.	Frontier Market Status.		Market Size and Liquidity indicators hampered progress in international rankings, due to not meeting defined thresholds.
	Review policy and develop the regulatory framework for spot commodity markets in Kenya to facilitate the establishment of structured commodities trading.	Number of Commodities Exchanges.	0	2	1		- Institutional, Policy, and Legal framework developed and operationalized. - 1 commodity exchange provisionally licensed. - Efforts continue towards enhancing the preparedness of 2 exchanges to meet regulatory requirements.
		The number of commodities traded on licensed Commodities Exchanges in Kenya.	0	4	1		More commodities will be traded once the other exchanges are fully operationalized.
		Value of exchange-traded commodities (in KES).	0	1.7 trillion per annum.	20 billion per annum.		It is anticipated that market turnover will substantially increase once other exchanges are fully operationalized.
		Number of capital markets issuers with capital markets products related to manufacturing, housing, agriculture, and healthcare sectors.	20	30	31		Issuances mainly related to Housing and Manufacturing.
Facilitate the development, diversification, and uptake of capital markets products and services.	Enhance awareness and delivery of Capital Market education for investors.	Composite weighted Investor Education Measurement Index (IEMI).	41%	52%	49%		The target will next be measured in 2024. Based on the extrapolation of the annual growth rate (app. 2% pa.), the target will be met by June 2024.
		Percentage of market intermediaries conducting investor education programs.	7%	21%	35%		This has mainly been driven by the adoption of e-learning using online platforms.

**Table 5: Achievement of Outcomes (continued)**

Strategic Objective	Strategic Initiative	Overall KPIs	Status (2018)	Target (2023)	Status (2022)	Level of Achievement (TL)	Comments	
	Review the policy and regulatory environment to attract a broader set of investors and issuers.	The proportion of total investors (as % of the adult population (25-65)).	19%	30%	18%		Whilst the actual number of investors increased, the proportion relative to the adult population decreased due to a higher population growth rate compared to investors growth rate.	
	Assess and refine the policy and regulatory framework to ensure optimal uptake of products and market participation.	Market capitalization (equity).	KES 2.6 trillion.	KES 3.5 trillion.	KES 1.7 trillion.		The general economic & business environment deteriorated due to various shocks resulting in bearish equity market performance.	
		Value of new corporate debt listings on NSE.	KES 79.7 billion.	KES 80. billion.	KES 39.2 billion.		Investor apathy due to failed issuances as well as the high interest rates environment negatively affected the corporate bond market.	
		Assets under CIS management.	KES 60 billion.	KES 100 billion.	KES 161 billion (March 2023).		Mainly driven by increased awareness in the retail sector as well as the digitalization of value chains which reduced access barriers and costs.	
		Number of issuers of other products (REITs, derivatives markets, ABS, ETFs, Islamic products, GDRs & GDNs).	2	7	11		Mainly driven by the introduction of new products including REITs, ETFs, and Derivatives.	
	Supervise the maintenance of an efficient pre-trading environment including trade facilitation, access to data & information, and stable technology.	Equity Market liquidity (Average Equity Turnover/MCAP).	6.8%	25%	7%		There has been marginal improvement in equity market liquidity during the review period due to significant market reforms. Nevertheless, the gains made were affected by negative foreign portfolio flows and lower corporate earnings due to the general economic	
		Bond Market liquidity (Average Bond Turnover/Value of Outstanding Bonds).	26.8%	40%	21.5%			
	Ensure sound market infrastructure operations and institutions.	Ensure efficiency and risk minimization in the trading and post-trading environment.	DvP Status.	Partially implemented	Fully implemented	Partially Implemented		Not fully implemented due to the magnitude of change required from the current model. However, significant milestones have been achieved and the initiative will be fully implemented in the next strategic cycle.
		Promote proper market conduct through proactive supervision of capital market operations and effective enforcement.	Percentage of cases completed, resulting in administrative action.	N/A	75%	100%		Mainly driven by increased collaboration, elaborate tracking, and management of issues to ensure their timely and adequate resolution, and clear delivery targeting and allocation of required resources.
			Percentage of cases completed, resulting in prosecution.	N/A	50%	100%		
Percentage of cases completed resulting in recoveries.			N/A	25%	83%			
The turnaround time to conclude investigations and prosecutions.			9 months.	6 months.	4.5 Months.			



Table 5: Achievement of Outcomes (continued)

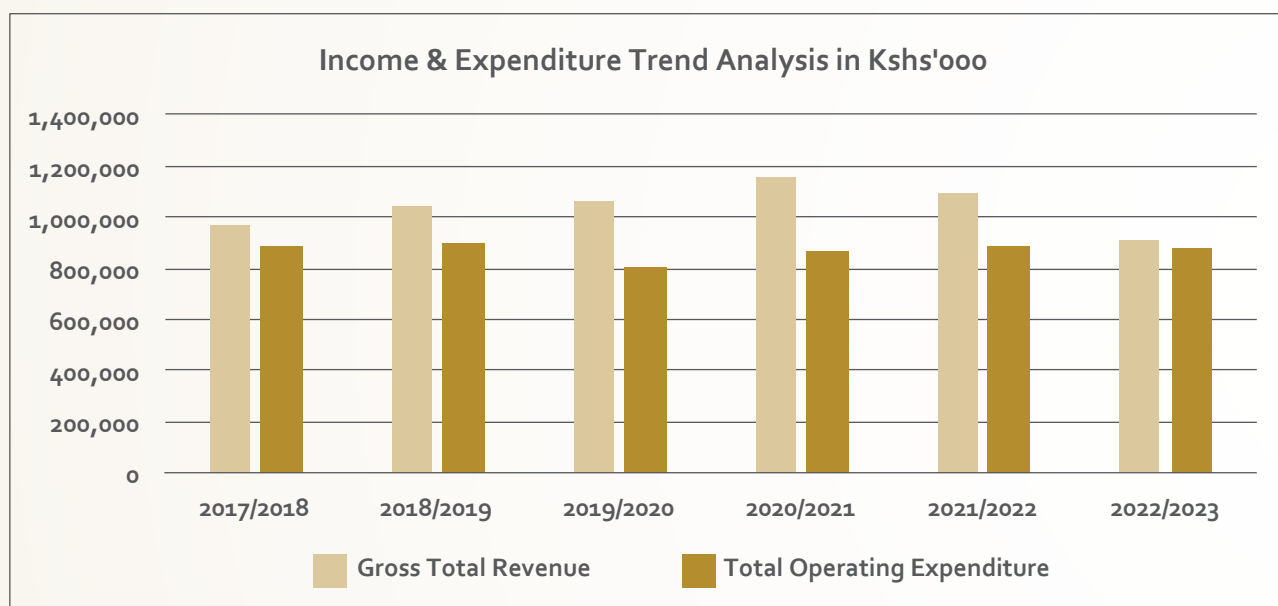
Strategic Objective	Strategic Initiative	Overall KPIs	Status (2018)	Target (2023)	Status (2022)	Level of Achievement (TL)	Comments
Leveraging technology to drive efficiency in the capital markets value chain.	Build capacity to respond to the impact of and support the implementation of new technologies in the capital market value-chain.	Number of Fin-Techs admitted to the test environment under the regulatory sandbox.	0	5	12		Mainly driven by easing of onboarding procedures and increased awareness.
	Internally leverage Information, communication, and technology to enhance efficiency and service delivery.	Level of automation within the Authority.	74%	>75%	>76%		There has been significant investment in ICT and BPR through automation.
Enhancing Strategic Influence.	Continue to build strategic alliances with domestic and international partners.	Percentage implementation of activities carried out under mutual agreements.	20%	50%	71%		Mainly driven by market deepening, education and awareness and investor protection initiatives.
		The number of capacity-building partnerships.	5	10	17		Mainly driven by market deepening, awareness, and education initiatives.
	Consistently engage with key stakeholders to ensure the deepening of the capital markets.	Counties using capital markets to raise funds.	0	2	0		- Significant progress was made in developing the framework including completing a White Paper to inform policy; operationalization of the County Borrowing Framework and Guidelines developed by the NT&EP, as well as the structuring of One County Bond that was approved by Cabinet but not issued.  - Initiatives will continue during the next strategic cycle to facilitate devolved issuances.
		Percentage of completed activities within the Strategic Plan.	83%	85%	87%		Mainly driven by implementation of a robust strategy implementation, monitoring, and evaluation system.
Ensure optimal institutional efficiency and effectiveness of CMA.	Enhance and align staff competency with the changing operating environment.	Average % achievement of annual Aggregated Performance Ratings of Staff (for the Strategic Plan period).	70%	72%	82.65%		Mainly driven by good recruitment methods and a conducive work environment.
	Enhance financial sustainability and operational efficiency.	Total Revenue.	KES 983 Million.	KES 1.3 billion.	KES 1.1 billion.		Revenue during the period has averaged around KES 1.1 bn. This is as a result of reduced market turnover and corporate issuances.
	Improve and uphold the corporate image of the Authority.	Customer satisfaction index.	73%	76%	78.4%		Mainly driven by improved service delivery and proactive stakeholder engagement.

### 3.1.5.2 Financial Performance over the Past Five Years

During the Strategic Plan period under review, total revenue generated in the first three financial years, 2018/2019 - 2020/2021 increased at an average annual rate of 6%, which mirrored Kenya's economic performance. However, for the last two financial years, that is, 2021/2022 and 2022/2023, income declined by 6% and 17% respectively. This decline was mainly as a result of global factors that affected the domestic economy such as the effects of the Covid-19 pandemic, climate change driven disruptions, the conflict in Eastern Europe and the resultant disruption of commodity supply-chains, specifically affecting energy and food supply. In addition to the global factors, 2022 was an elections year which is typically characterized by negative foreign investment portfolio flows. Despite the decline in revenue, CMA has remained self-sustaining during the entire period.

**Table 6: Financial performance during the period - 2017/18 - 2022/23**

Financial Year	Amount in Kshs' 000					
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Gross Revenue	967,486	1,044,093	1,064,116	1,161,030	1,095,800	872,016
Total operating expenditure	889,282	900,341	808,566	872,302	888,948	839,565
Surplus for the period	78,204	143,752	255,550	288,728	206,852	32,451
90% Surplus due to Exchequer	-21,127	-92,706	-177,588	-285,880	-147,557	0
Retained Surplus	57,077	51,046	77,962	2,848	59,295	32,451



**Figure 1: Income and Expenditure Trend Analysis**

### 3.1.5.3 Challenges

- i. Slow implementation of multi-agency strategic initiatives due to changing market dynamics and resource constraints.
- ii. Resource constraints: certain activities were significantly capital intensive and the deployment of internal financial resources towards their successful implementation was strenuous. In addition, there were challenges in technical capacity in the implementation of some initiatives. Support from development partners was also not adequate.
- iii. The lengthy legislative development process because of Constitutional and statutory requirements delayed the implementation of many strategic initiatives.
- iv. Policy volatility impacted the implementation of some initiatives as well as negatively affected issuer and investor confidence.
- v. General bearish macroeconomic conditions due to various internal and external factors led to subdued business performance leading to low uptake in some asset classes.
- vi. The growth of private financial markets and their impact on the public capital markets.
- vii. Relatively low capital markets literacy and awareness levels contributing to slow product and service uptake.

### 3.1.5.4 Lessons Learnt

- i. Overconcentration on foreign investors causing a decline in market activity in periods of external shocks. Focus should shift towards developing the domestic market to avoid the adverse impact of foreign investors exits.
- ii. Investor education and awareness is not sufficient to drive uptake of capital markets and products especially for the youth. There needs to be excitement about investing and promotion of a savings culture.

- iii. There should be more investment in technology across the entire capital markets value chain. The use of technology in product and service distribution has proven significantly impactful in increasing inclusion and awareness, especially by retail investors and needs to be stepped up. This especially calls for more investment by CMA on regulatory and supervisory technology (RegTech and SupTech).
- iv. Market development outreach initiatives were not inclusive. There were various segments of the market that were not covered and which could benefit for tailored products, including Micro Small and Medium Enterprises, religious groups and counties in northern Kenya
- v. Overreliance on budget and own revenue sources has limited capacity to carry out important market development and oversight initiatives. Technical and financial support from development partners should be leveraged to complement ORS.
- vi. Capital markets concept still perceived as elitist and complex. CMA needs to promote presentation of capital markets in a simple and pragmatic manner.

### 3.2 Stakeholder Analysis

The table below outlines an analysis of CMA's stakeholders, their roles, what they expect of the Authority and what the Authority expects of the stakeholders.

**Table 7: Stakeholder Analysis**

Stakeholder Analysis				
S. N.	Stakeholder	Role	What do they expect of CMA	What does CMA expect of the stakeholders
1	<b>National Treasury &amp; Economic Planning.</b>	Overall Economic Policy and Public Finance Management, Public Investment Policy and Oversight, Development and Enforcement of Financial Governance Standards and Oversight, National and Sectoral Development Planning and Monitoring and Evaluation of Economic Trends.	<ul style="list-style-type: none"> <li>• Advice on capital markets and implementation of government policies and laws.</li> <li>• Submission of specific reports.</li> <li>• Prudent utilization of resources.</li> <li>• Remittance of Surplus.</li> </ul>	<ul style="list-style-type: none"> <li>• Support, facilitation, and timely approvals.</li> <li>• Appointments of directors.</li> </ul>
2	<b>Board.</b>	Responsible and accountable to the Government of Kenya through the National Treasury and Economic Planning in ensuring that the Authority complies with the law and the highest standards of corporate governance.	<ul style="list-style-type: none"> <li>• Accurate, relevant, and timely information and reports.</li> <li>• Implementation of Board's guidance.</li> <li>• Prudent use of resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic direction and influence.</li> <li>• Facilitation and timely approvals.</li> <li>• Support, collaborations, and linkages.</li> </ul>
3	<b>Employees.</b>	Contribute towards the successful delivery of the organization's mandate through achieving their assigned targets to ensure enhanced organizational performance.	<ul style="list-style-type: none"> <li>• Capacity building.</li> <li>• Career progression.</li> <li>• Facilitation through guidance, availing of resources, wellness, and a conducive working environment.</li> <li>• General awareness of capital markets, commodities, and products .</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal performance.</li> <li>• Adherence to policies and regulations.</li> </ul>
4	<b>Regulators.</b>	Responsible for providing oversight and enforcing regulations in various sectors of the economy.	<ul style="list-style-type: none"> <li>• Collaboration and sharing of information</li> </ul>	<ul style="list-style-type: none"> <li>• Timely feedback.</li> <li>• Collaboration and sharing of information.</li> </ul>

Stakeholder Analysis				
S. N.	Stakeholder	Role	What do they expect of CMA	What does CMA expect of the stakeholders
5	<b>KRA.</b>	To assess, collect and account for all revenues in accordance with the written laws and the specified provisions of the written laws. To advise on matters relating to the administration of, and collection of revenue under the written laws or the specified provisions of the written laws.	<ul style="list-style-type: none"> <li>• Accurate and timely tax returns.</li> <li>• Engagement on taxation changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement on taxation policy incentives and changes (if any.)</li> </ul>
6	<b>Investors.</b>	Providing capital to businesses, governments, and other entities, taking up capital markets and investment products, and contributing to the economic development of the country while adhering to relevant regulations and guidelines.	<ul style="list-style-type: none"> <li>• Facilitative regulatory framework.</li> <li>• Information, awareness, and protection.</li> <li>• Availability of capital/ commodity market services.</li> </ul>	<ul style="list-style-type: none"> <li>• Uptake of products &amp; services.</li> <li>• Compliance with the regulations.</li> </ul>
7	<b>Parliament – National Assembly &amp; Senate.</b>	Representing the electorate, making laws, and overseeing the government via hearings and inquiries.	<ul style="list-style-type: none"> <li>• Timely annual and other relevant reports.</li> <li>• Honoring committee summons.</li> <li>• Submission of comments on new legislation(s).</li> <li>• Sensitization on capital market-related matters.</li> </ul>	<ul style="list-style-type: none"> <li>• Timely passage of relevant bills.</li> <li>• Goodwill.</li> </ul>
8	<b>MDAs – National Government.</b>	Responsible for enacting laws and policies that govern the entire country, formulates, and implements policies, managing the economy, providing essential services to citizens and long-term development of the country.	<ul style="list-style-type: none"> <li>• Support in capital raising approvals.</li> <li>• Support their stakeholder engagement initiatives.</li> <li>• Advisory and technical assistance.</li> <li>• Collaboration and information sharing.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate access to stakeholders to support investor education initiatives.</li> <li>• Expect them to use the capital markets to mobilize funding.</li> <li>• Develop policies &amp; legal framework that support market deepening where relevant.</li> </ul>

Stakeholder Analysis				
S. N.	Stakeholder	Role	What do they expect of CMA	What does CMA expect of the stakeholders
9	<b>County Government.</b>	Carry out functions devolved from the national government to bring governance closer to the people as well as to promote local participation in the decision-making processes. County governments create local laws and regulations relevant to the county, deliver various public services to oversee the needs of the community, formulate and implement county specific development plans and strategies, collect and manage revenue within the county and oversee day-to-day county operations.	<ul style="list-style-type: none"> <li>• Support in capital raising approvals.</li> <li>• Support their stakeholder engagement initiatives.</li> <li>• Advisory and technical assistance.</li> <li>• Facilitating access to capital markets.</li> <li>• Collaboration and information sharing.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate access to stakeholders to support investor education initiatives.</li> <li>• Expect them to use the capital markets to mobilize funding.</li> <li>• Proper deployment of funds raised.</li> <li>• Harmonize policies &amp; legal framework that support market deepening where relevant.</li> <li>• Provide a listing pipeline for SMEs as well as bankable projects for investment.</li> <li>• Collaboration and information sharing.</li> <li>• COG to lobby for Commodities markets legislation.</li> </ul>
10	<b>Development Partners.</b>	Provide technical expertise and support, provide financial resources in the form of grants, loans, or other forms of funding, facilitate knowledge exchange and learning, offer policy advice and assist in monitoring and evaluation of impact and performance.	<ul style="list-style-type: none"> <li>• Support their programs.</li> <li>• Utilize resources effectively and efficiently.</li> <li>• Develop project proposals and justifications, for funding and technical assistance.</li> <li>• Identify areas of support.</li> <li>• Time reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• To be able to provide guarantees to relevant projects to ensure successful implementation.</li> <li>• Projects supported are aligned to our objectives.</li> <li>• Provision of technical and financial assistance.</li> </ul>
11	<b>Professional Bodies.</b>	Act as guardians of professional standards, market integrity, and investor protection encompassing regulation, education, representation, advocacy, and market development, all aimed at ensuring a transparent, efficient, and trustworthy capital market environment.	<ul style="list-style-type: none"> <li>• Recognition.</li> <li>• Support their members in professional development (CPDs).</li> <li>• Support their initiatives (Technical, Financial).</li> <li>• Feedback on policy proposals.</li> <li>• Timely payment of member subscriptions.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with their professional standards.</li> <li>• Enforcement of breaches with professional standards.</li> <li>• Feedback on due diligence.</li> <li>• Professional advice on relevant matters.</li> <li>• Hold information with confidentiality.</li> <li>• Support of CMA awareness initiatives.</li> </ul>

Stakeholder Analysis				
S. N.	Stakeholder	Role	What do they expect of CMA	What does CMA expect of the stakeholders
12	<b>Market Intermediaries.</b>	Facilitators and participants in the buying and selling of securities. They act as intermediaries between issuers of securities and investors, providing a range of services such as brokerage services, investment advisory, portfolio management, custodial and settlement services and market making to ensure efficient and transparent capital market operations.	<ul style="list-style-type: none"> <li>To be licensed.</li> <li>Inspections.</li> <li>Engagement and capacity building.</li> <li>Information sharing.</li> <li>Guidance and timely service.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance.</li> <li>Submissions on policy and regulatory improvements.</li> <li>Fees &amp; Levies</li> <li>Promote awareness.</li> <li>Advocacy.</li> </ul>
13	<b>Securities and Commodities Exchanges.</b>	Facilitating trading, bring together buyers and sellers to enable fair market prices for securities and commodities, providing a platform for a large number of participants to trade securities and commodities thus enhancing market liquidity, monitor trading activities to detect irregularities, market manipulation, and insider trading and facilitate the issuance of securities to enable companies to raise funds from public investors.	<ul style="list-style-type: none"> <li>Facilitate approval of rules, products, services, and applications for issuances.</li> <li>Collaboration in market development, education and awareness, and investor protection.</li> <li>Capacity building.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the relevant laws.</li> <li>Access to the trading system for surveillance purposes.</li> <li>Effectively undertaking their SRO role including capacity building.</li> <li>Investment in infrastructure that enhances customer experience.</li> <li>Response to data requests.</li> </ul>
14	<b>Clearing and Settlement Depositories.</b>	Facilitate trade verification, settlement of securities and funds, manage risks, maintain centralized records, provide asset servicing, enforce regulatory compliance, and offer centralized reporting.	<ul style="list-style-type: none"> <li>Facilitate approval of rules, products, and services.</li> <li>Collaboration in market development, education and awareness, and investor protection.</li> <li>Capacity building.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the relevant laws.</li> <li>Response to data requests .</li> <li>Effectively undertaking their SRO role including capacity building.</li> <li>Investment in infrastructure that enhances customer experience.</li> </ul>
15	<b>Issuers.</b>	Capital raising, providing accurate and timely information to the market to enable investors to make informed decisions, regulatory compliance, maintain relationships with investors and other stakeholders and maintain good corporate governance practices.	<ul style="list-style-type: none"> <li>Timely approval of applications.</li> <li>Facilitative policy and regulatory framework .</li> </ul>	<ul style="list-style-type: none"> <li>Complete applications.</li> <li>Timely and accurate release of information.</li> <li>Compliance with the legal and regulatory framework.</li> </ul>

Stakeholder Analysis				
S. N.	Stakeholder	Role	What do they expect of CMA	What does CMA expect of the stakeholders
16	<b>Suppliers.</b>	Provide CMA with good quality goods and services in a timely manner and within the procurement laws and regulations.	<ul style="list-style-type: none"> <li>• Timely payment.</li> <li>• Clear terms of reference.</li> <li>• Effective communication.</li> <li>• Adherence to the procurement law.</li> <li>• General awareness of capital markets, commodities, and products.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality services and products.</li> <li>• Timely delivery of products and services.</li> <li>• Adherence to the procurement law.</li> </ul>
17	<b>Public</b>	The public plays a role as investors, contributors to capital formation, diversifiers of risk, shareholders with rights, demanders of transparency and governance, providers of market feedback and policy and regulatory proposals feedback, and indicators of the economic climate.	<ul style="list-style-type: none"> <li>• Protection of their interest.</li> <li>• Timely, clear, and factual information.</li> <li>• General awareness of capital markets, commodities, and products.</li> <li>• Product diversification.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback on policy &amp; regulatory proposals.</li> <li>• whistleblowing.</li> <li>• Active participation in the market.</li> <li>• Participation in education and awareness initiatives.</li> </ul>
18	<b>Regional and International bodies</b>	Regional and international bodies role includes regulatory cooperation, market integration, capacity building, investor protection, cross-listings, foreign investments, market surveillance, enforcement, policy advocacy, and representation.	<ul style="list-style-type: none"> <li>• Technical support.</li> <li>• Adherence to MOU and EMMOU</li> <li>• Payment of subscriptions</li> <li>• Alignment and domestication of relevant policies, best practice, and principles</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge and information sharing</li> <li>• Capacity building</li> <li>• Continuous updates on emerging issues</li> </ul>
19	<b>Industry Associations</b>	Industry plays a role in shaping the regulatory environment, promoting best practices, and fostering the growth and development of the industry.	<ul style="list-style-type: none"> <li>• Technical support.</li> <li>• Consideration of policy and legislative proposals.</li> <li>• Recognition.</li> <li>• Engagement and Collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>• Self-regulate their members.</li> <li>• Be active in their advocacy and lobbying role.</li> <li>• Build capacity of their members.</li> <li>• Support market deepening and development.</li> </ul>
20	<b>Academia</b>	Enhances the capital markets industry's intellectual capital, contributes to policy debates, equips students with the necessary skills and knowledge, and fosters innovation and thought leadership.	<ul style="list-style-type: none"> <li>• Collaboration and information sharing.</li> <li>• Capacity building opportunities.</li> <li>• General awareness of capital markets, commodities, and products.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration and information sharing.</li> <li>• Inclusion of capital markets education in their curriculum.</li> <li>• Capacity building.</li> <li>• Research on the Kenyan capital markets.</li> </ul>

# 4

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**STRATEGIC  
ISSUES, GOALS  
AND KEY  
RESULT AREAS**





# STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

In the development of the sixth Strategic Plan (2023 – 2028), the broad strategic issues related to enhancing the customer experience, being self-sustainable, improving organizational performance and leadership. In this regard, the following five strategic issues were adopted to guide CMA operations for the plan period. The key result areas will focus on market growth, improved organizational performance and ultimately, increased market confidence.

**Table 8: Strategic Issues, Goals and Key Result Areas**

S. No	Strategic Issues	Strategic Theme	Strategic Goal	Key Result Areas
1	Customer Focus.	Inclusivity.	Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.	Customer Base.
2	Financial Stewardship.	Sustainability.	Grow revenue from Kshs. 1B to Kshs. 1.66B by 2028.	Financial Sustainability.
3	Internal Business Processes.	Operational Processes and Procedures.	Service delivery excellence.	Performance, Productivity and Risk.
4	Organizational Capacity / Learning & Growth.	Agility and Leadership.	Attract, develop, engage, and retain competent staff compliment.	Human Resource.
5	Leadership and Governance.	Effective Governance.	Strengthened Leadership and Governance.	Environmental, Social and Governance.



# 5

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**STRATEGIC  
OBJECTIVES  
AND  
STRATEGIES**

# STRATEGIC OBJECTIVES AND STRATEGIES

This chapter focuses on the objectives and strategic choices that will be implemented to achieve the strategic goals.

## 5.1 Strategic Objectives

The Strategic Objectives have been derived from the Key Result Areas as well as their implementation projections on an annual basis as tabulated below:

**Table 9: Outcome Annual Projections**

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
<b>KRA 1: Customer Base</b>							
Increase customer base and democratize wealth.	Increased uptake of capital markets products and services.	% Growth in number of investors.	3%	3%	3%	3%	3%
		Number of issuers.	2	2	2	2	2
		% Growth in value of Assets Under Management (AUM).	3%	6%	9%	12%	15%
Increase annual market turnover.	Increased market liquidity.	Turnover ratio - equities.	5%	7%	9%	11%	13%
		Turnover ratio - bonds.	5%	10%	15%	20%	25%
Improve customer experience and brand visibility.	Improved customer experience.	Customer satisfaction index.	78.4%	-	79.4%	-	80.4%
		Aggregate market capitalization (Kshs. Trillion).	5.8	6.0	6.2	6.3	6.6
	Improved strategic influence and advocacy.	Level of implementation of MOUs.	100%	100%	100%	100%	100%
<b>KRA 2: Financial Sustainability</b>							
Increase revenue.	Increased revenue.	Revenue in Kshs.000.	1,181,692	1,286,124	1,400,613	1,526,128	1,663,730
Enhance resource mobilization.	Successful implementation of strategic initiatives.	Amount of externally mobilized funds in Kshs.	50M	150M	150M	200M	200M
Improve cash flow management.	Increased return on investments.	Rate of return on investments.	ROI above 91-day T-bill rate -2.	ROI above 91-day T-bill rate -2.	ROI above 91-day T-bill rate -2.	ROI above 91-day T-bill rate -2.	ROI above 91-day T-bill rate -2.
Optimize Costs.	Increased cost savings.	% of cost savings per annum.	10%	10%	10%	10%	10%
<b>KRA 3: Performance, Productivity and Risk</b>							
Improve performance, productivity and risk management.	Improved organizational performance and productivity.	Performance contract score.	Very Good	Very Good	Very Good	Very Good	Very Good
		Productivity score.	Good	Good	Very Good	Very Good	Very Good
Increase level of automation.	Increased organizational	% level of utilization.	70%	75%	80%	85%	90%
		% level of automation.	70%	75%	80%	85%	90%
Comply with all applicable policy, legal and regulatory requirements.	Reduced risk exposure.	% level of compliance.	100%	100%	100%	100%	100%

# STRATEGIC OBJECTIVES AND STRATEGIES

Strategic Objective	Outcome	Outcome Indicator	Projections				
			2023/24	2024/25	2025/26	2026/27	2027/28
Optimize supply chain operational efficiency.	Enhanced supply chain efficiency.	Turnaround time for delivery of requisitioned goods and services.	82%	83%	84%	85%	86%
		Savings on intermediate inputs and activity cost.	5%	5%	5%	5%	5%
<b>KRA 4: Human Resource</b>							
Enhance human resource capacity.	Improved staff productivity, motivation, and retention.	Employee Engagement Index.	75%	-	77%	-	79%
		Work environment index.	75%	-	77%	-	79%
Improve succession management.	Increased knowledge transfer.	% employees coached and mentored.	80%	70%	60%	50%	40%
		Level of implementation of succession management policy.	80%	80%	80%	80%	80%
Strengthen compliance with HR laws, regulations, and government directives.	Reduced risk exposure.	% level of compliance.	100%	100%	100%	100%	100%
<b>KRA 5: Environmental, Social and Governance</b>							
Promote environmental, social and governance practices.	Improved adoption of ESG principles.	Level of compliance with Mwongozo Code.	100%	100%	100%	100%	100%
		Level of implementation of the CMA ESG policy.	-	100%	100%	100%	100%
Strengthen Internal Control systems.	Enhanced accountability.	Level of implementation of audit recommendations.	100%	100%	100%	100%	100%

# STRATEGIC OBJECTIVES AND STRATEGIES

## 5.2 Strategic Choices

In setting the strategic objectives, CMA adopted the Balanced Scorecard which has five perspectives as follows customer, financial, internal business processes, organizational capacity, and leadership with a focus on environmental, sustainable and governance.

### 5.2.1 Customer Perspective

Table 10: Customer Perspective Objectives and Strategic Choices

Strategic Objectives & Strategic Choices – Customer Perspective		
Theme:	Inclusivity	
Goal:	Grow Aggregate Market Capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028	
Key Result Area	Objective	Strategic Choices
Customer Base.	<b>Objective 1</b> Increase customer base and democratize wealth.	Leverage technology and social media to enhance product uptake and customer experience.
		Partner with market intermediaries to increase customer base.
		Decentralization of capital market services.
		Partner with National government, professional institutions, and other key stakeholders to offer training on Capital markets to both public servants and private sector employees.
		Continuous review of the policy and regulatory framework to respond to dynamic market needs.
		Continuous engagement with issuers, investors, and intermediaries.
		Facilitate ease of access to capital markets by issuers.
	<b>Objective 2</b> Increase annual market turnover.	Support National Government agenda through capital markets products and services.
		Ease access to, and participation in capital markets by investors.
		Enhance market infrastructure along the value chain to ensure straight through process from trading to settlement.
		Facilitate introduction of new products and services.
		Facilitate market-based financing initiatives to support Environmental Social and Governance (ESG), such as green financing.
	<b>Objective 3</b> Customer experience and brand visibility.	Enhance investor experience.
		Enhance investor protection.
		Enhance customer relationship management.
		Demystify capital markets by simplifying the message.
		Enhance the effectiveness of the regulatory sandbox.
	<b>Objective 4</b> Strategic alliances.	Establish partnerships with international and domestic partners to advance the Authority’s agenda.

# STRATEGIC OBJECTIVES AND STRATEGIES

## 5.2.2 Financial Perspective

Table 11: Financial Perspective Objectives & Strategic Choices

Strategic Objectives & Strategic Choices – Financial Perspective		
Theme:	Financial Sustainability	
Goal:	Grow revenue from Kshs. 1B to Kshs. 1.66B by 2028	
Key Result Area	Objective	Strategic Choices
Financial Stewardship.	<b>Objective 1</b> Increase revenue.	Ensure all new products come along with sufficient fees to cover their cost of supervision.
		Ensure existing products and services generate revenue commensurate to the cost of their supervision.
		Create vibrancy at the Exchanges.
		Diversifying revenue sources.
	<b>Objective 2</b> Enhance resource mobilization.	Leverage relationships with Government and other development partners to raise funding.
	<b>Objective 3</b> Improve cash flow management.	Liquidity management.
		Prudent investment of surplus funds.
	<b>Objective 4</b> Optimize costs.	Effective budgeting, procurement planning and implementation.
		Implement lean technologies and methodologies.
		Enforce procurement best practices.
		Optimize Asset utilization.
		Improve efficiency through application of technology.
	Ensure compliance with all regulatory and legal requirements.	
	Establishment of the CMA/Financial Center Plaza.	

# STRATEGIC OBJECTIVES AND STRATEGIES

## 5.2.3 Internal Business Process (IBP) Perspective

Table 12: Internal Business Processes Perspective Objectives & Strategic Choices

Strategic Objectives & Strategic Choices – Internal Business Process		
Theme:	Operational Processes and Procedures	
Goal:	Service Delivery Excellence	
Key Result Area	Objective	Strategic Choices
Performance, Productivity and Risk.	<b>Objective 1</b> Improve Performance, Productivity and Risk Management.	Improve Strategic Planning, implementation, monitoring and evaluation.
		Augment Enterprise Risk Management and Business Continuity Framework.
		Maintain the Authority's Quality Management System (QMS) certification under ISO 9001.
		Implement effective project management practices.
		Effective management of the litigation function.
		Reduce exposure of the Authority to legal and financial risk.
	<b>Objective 2</b> Increased Level of Automation.	Digitize and optimize operational systems (front-end and back-end systems).
		Develop an ICT innovation Centre to support inhouse software development and R&D of emerging technologies.
		Establish and operationalize a knowledge management framework.
		Upgrade ICT infrastructure (Upgrade hardware and software).
	<b>Objective 3</b> Comply with ALL applicable policy, legal and Regulatory requirements.	Ensure legal and compliance audits are undertaken.
		Ensure alignment of CMA processes with the Data Protection Act.
	<b>Objective 4</b> Optimize supply chain operational efficiency.	Promote strategic sourcing.
		Maintain optimal inventory levels.
		Leverage on technology.
		Enhance strategic relationships with suppliers.
		Ensure compliance with the Public Procurement and Asset Disposal Act (PPADA), Regulations and Safety Requirements.
		Effective disposal of obsolete items in line with the approved Annual Disposal Plan.
		Effective Inspection of goods and services procured for quality and completeness.
		Safeguard all inventory against pilferage and damage.
Competitive sourcing using appropriate methods and negotiations where applicable.		

# STRATEGIC OBJECTIVES AND STRATEGIES

## 5.2.4 Organizational Capacity / Learning & Development Perspective

Table 13 : Organizational Capacity Perspective Objectives & Strategic Choices

Strategic Objectives & Strategic Choices – Organizational Capacity / Learning & Development Perspective		
Theme:	Agility and Leadership	
Goal:	Attract, Develop, Engage and Retain Competent Staff Compliment	
Key Result Area	Objective	Strategic Choices
Human Resource.	<b>Objective 1</b> Enhance human resource capacity.	Implement Competency - based talent acquisition.
		Implement employee development programs.
		Maintain a conducive and adaptive work environment.
		Enhance a high performance and productivity culture.
	<b>Objective 2</b> Improve succession management.	Implement effective knowledge management.
		Implement effective succession management.
<b>Objective 3</b> Strengthen compliance with HR laws, regulations, and government directives.	Compliance with all employment/ labour related legislations and government circulars.	
	Review of the HR instruments.	

## 5.2.5 Leadership and Governance Perspective

Table 14 : Leadership and Governance Perspective Objectives & Strategic Choices

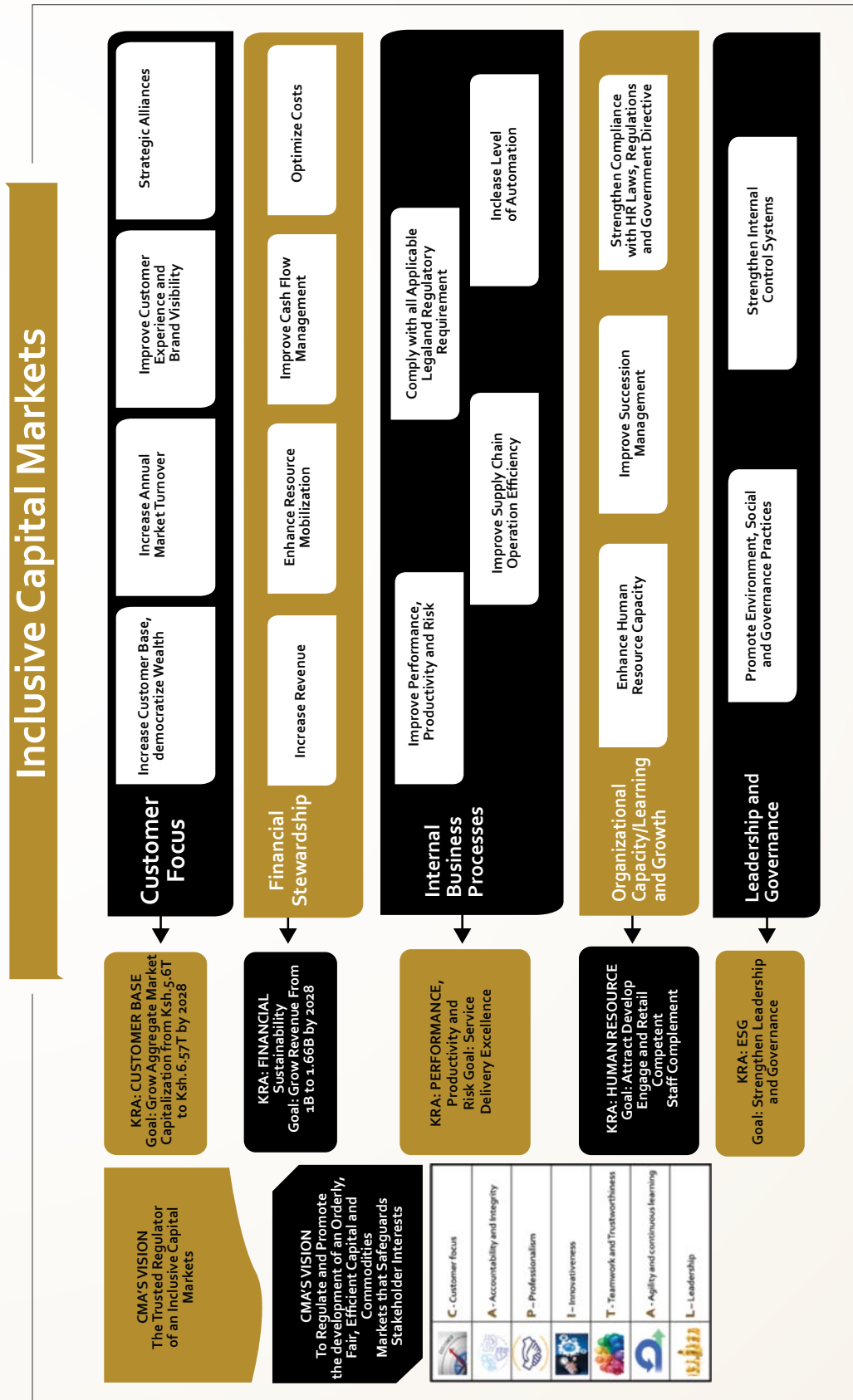
Strategic Objectives & Strategic Choices – Leadership and Governance Perspective		
Theme:	Effective Governance	
Goal:	Strengthened Leadership and Governance	
Key Result Area	Objective	Strategic Choices
Environmental, Social and Governance.	<b>Objective 1</b> Promote environmental, social and governance practices.	Ensure Board compliance with Mwongozo Code.
		Mainstream ESG factors into CMA's operations.
	<b>Objective 2</b> Strengthen Internal Control systems.	Enhancement of internal controls within the Authority.



# STRATEGIC OBJECTIVES AND STRATEGIES

The Corporate Strategy Map and Must Win Battles (MWB)

Figure 2: Strategy Map





# 6

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## IMPLEMENTATION AND COORDINATION FRAMEWORK

# IMPLEMENTATION AND COORDINATION FRAMEWORK

The implementation matrix provides a framework for enacting strategic objectives to realize intended results/outcomes. The matrix provides how to execute the objectives outlined in the Strategic Plan, outlines the key performance indicators for the activities, the set targets for the plan period and financial projections (costs or revenue) for each activity/set of activities.

- 6.1 Implementation Plan
- 6.1.1 Action Plan - Customer Perspective

Table 15: Implementation Matrix - Customer Perspective

Implementation Matrix – Customer Perspective											
Strategic Issue: Customer Focus											
Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.											
KRA: Customer Base											
Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.											
Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)		
				2023/24	2024/25	2025/26	2026/27			2027/28	
<b>Objective 1</b> Grow customer base, democratize wealth, and enhance liquidity	Leverage technology and social media to enhance product uptake and customer experience	Interconnect CMA, NSE & CDSC capital markets mobile apps to increase access to information. Undertake outreach campaigns targeting the grassroots and diaspora using the existing capital markets apps.  Review and facilitate the onboarding process for sandbox innovators to enhance customer experience.	Applications connected	-	Interconnect by June 2026.	-	-	-	-	DPMD	41,000
			Percentage cumulative growth in the number of application users	5%	10%	15%	20%	25%			
			Reviewed Process No. of successful exits from the Sandbox	Reviewed Process	1	1	1	1			
	Partner with market intermediaries to increase the customer base	Undertake issuer deep-dive experience engagement to demystify the transaction structuring process in partnership with relevant market stakeholders.  Build the capacity of transaction advisers to enhance competitiveness of the capital markets industry. Participation in the creation, and support of a market development kitty (MDK) to enhance market deepening. Support introduction of alternative securities exchanges	No. of Issuances	2	2	2	2	2	2	DPMD	40,000
			Amount allocated to MDK (Millions)	2.5	2.5	2.5	2.5	2.5			
			Total Market Cap (Kshs. Trn)	5.78	5.96	6.14	6.32	6.50			

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Customer Perspective										
Strategic Issue: Customer Focus										
Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.										
KRA: Customer Base										
Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.										
Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)
				2023/24	2024/25	2025/26	2026/27	2027/28		
<b>Objective 1</b> Grow customer base, democratize wealth, and enhance liquidity	Decentralization of capital market services	Implement the county resource persons program.	No. of counties with dedicated resource persons	10	20	47	47	47	DTRKM	58,000
		Leverage technology to deliver various capital market services.	The number of customer facing services digitalized.	1	1	2	2	2		
		Leverage MOUs to decentralize services.	No. of engagements with counties.	10	15	20	25	30		
		Partner with Huduma Centers for the Authority to reach counties.	No. of Huduma Centers providing capital markets-related services.	-	-	1	2	3		
		Use the principal-agent model to partner with market intermediaries to increase the customer base at the counties.	Growth in no. of new investors	3%	3%	3%	3%	3%		
		Work with counties to identify bankable projects that can be supported through capital markets	No. of county issuances	0	1	2	2	2		

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Customer Perspective												
Strategic Issue: Customer Focus												
Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.												
KRA: Customer Base												
Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.												
Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)			
				2023/24	2024/25	2025/26	2026/27			2027/28		
<b>Objective 1</b> Grow customer base, democratize wealth, and enhance liquidity	Partner with the National Government, professional institutions, and other key stakeholders to offer training on capital markets to both public servants and private sector employees	Work with Kenya Institute for Curriculum Development (KICD) to infuse capital markets information into primary and secondary school curricula.	Curriculum integration/alignment	-	June 2025	-	-	-	-	111,000		
				Work with the National Government to establish a Capital Markets Training Centre	-	-	Launch of center June 2026	-	-	500,000		
		Establish Partnerships with National Government ministries, parliament, and MDAs to train their staff on capital markets	6	6	6	6	6					
	Continuous review of the policy and regulatory framework to respond to dynamic market needs	Review the regulations to remain in compliance with the law and respond to the changing regulatory and business environment.	2	2	2	2	2	2	2	2	51,000	
			Review product and service structure to enhance the value proposition and sustainability.	0	1	0	0	1	1	1	1	
		Progress planned Islamic Finance initiatives to facilitate the uptake.	0	1	0	1	1	1	1	1	1	
			Use the regulatory sandbox to facilitate innovation.	0	1	0	1	1	1	1	1	
		Integrate research and policy in product development and review.	1	1	1	1	1	1	1	1	1	
			Undertake stakeholder segmentation analysis and conduct engagements according to their unique needs.	Report on segmentation of stakeholders	4	4	4	4	4	4	4	40,000
Continuous engagement with issuers, investors, and intermediaries	Continuous implementation of the certification program	5%	10%	25%	30%	35%	30%	35%	35%			
		Enhance the CMCF into an effective industry advocacy caucus.	White Paper by June 2024	Implementation	Operational Caucus	-	-	-	-	-		

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Customer Perspective										
Strategic Issue: Customer Focus										
Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.										
KRA: Customer Base										
Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.										
Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs.)	
				2023/24	2024/25	2025/26	2026/27			2027/28
<b>Objective 2</b> Grow annual market turnover	Facilitate ease of access to CMA services by issuers.	Re-engineer issuance processes to increase efficiency.	No. of re-engineered processes.	3	3	3	3	3	DPMD	15,000
		Facilitate issuance of products that support commodities markets, financing of SMEs, and Infrastructure development through enhanced market-based policies and regulatory framework	No. of new issuances	5	5	5	5	5	DPMD DMO	5,000
		Facilitate the development of real estate infrastructure through REITs	No. of REITs issued.	-	2	2	2	2	DPMD	10,000
		Promote and support access to capital by MSMEs through use of crowdfunding platforms	No. of MSMEs using crowdfunding platforms	2	2	2	2	2	DPMD	10,000
		Expedient approval of applications such as Privatizations and other Public/Private Offers	Turnaround approval time in days (from the time an applicant meets all regulatory requirements)	14	14	14	14	14	DMO	300
		Partner with securities exchanges to promote and facilitate listings.	No. of listings	-	5	5	5	5	DPMD	
		Support initiatives to enhance CIS uptake at the grass root level	% increase in CIS customers	3%	6%	9%	12%	15%	DPMD	5,000
		Offer structured product solutions to Government & Private Sector initiatives through the capital markets, for example, using ABS	No. of new issuances	1	1	1	2	2	DPMD	7,000
		Facilitate issuance of products through technology, for example, e-IPOs, blockchain, and crowdfunding	No. of products issuances	2	3	3	3	4	DPMD DMO	17,000

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## Implementation Matrix – Customer Perspective

### Strategic Issue: Customer Focus

Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.

#### KRA: Customer Base

Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.

Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
Objective 2 Grow annual market turnover	Ease access to, and participation in, capital markets	Facilitate issuance of products through technology, for example, e-IPOs, blockchain, and crowdfunding	No. of products issuances	2	3	3	3	4	DPMD DMO	17,000
		Support the use of technology to increase market liquidity	Increase in total Market Turnover in KES Bn	5%	7%	9%	11%	13%	DPMD	35,000
	Enhance market infrastructure along the value chain to ensure straight through process from trading to settlement	Support full implementation of existing and approval of new Bonds OTC platforms	% increase in total Bond Turnover	-	-	5%	10%	15%	DMO	
		Support Improvement of CSD Systems	Reduced transaction settlement time (days).	4	4	4	3	2		
	Facilitate introduction of new products and services	Remove impediments to the uptake of liquidity enhancement products e.g., SS/SLB, Day Trading, and M-Akiba. Facilitate the development of Fully fledged SROs. Support the establishment of a central one-stop e-KYC system (Integration of e-KYC) Continue to participate in the automation of pre-trading in the fixed-income market. Facilitate market-making arrangements Support uptake of products and services by retail investors through digital aggregator platforms Promote the development of Currency Derivatives and foreign-denominated issuances.	Remove impediments	% increase in market liquidity	3%	6%	9%	12%		
			Automation finalized	No. of approved SROs.	-	1	-	2		
			10%	E-KYC implemented.	Implementation	Implementation	Operational E-KYC			
			5%	Increase in Fixed income Market Cap.	7%	9%	11%			
			5%	% increase in liquidity ratio.	5%	5%	5%			
			20%	% Increase in Funds aggregated.	30%	40%	50%			
June 2026	Policy Framework No. of issuances.	-	-	-						
-		-	1	2						

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## Implementation Matrix – Customer Perspective

### Strategic Issue: Customer Focus

Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.

KRA: Customer Base

Outcome: Increased uptake of capital markets products and services; market liquidity and improved customer experience.

Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs.)		
				2023/24	2024/25	2025/26	2026/27			2027/28	
<b>Objective 2</b> Grow annual market turnover	Facilitate market-based financing initiatives to support Environmental Social and Governance (ESG) products in the market (e.g. green bonds, green REITs, climate bonds, blue bonds (sustainable water bonds), social bonds, sustainability linked bonds, ESG indexed funds, ESG linked derivatives and other ESG linked products/instruments)	Implement Commodities Markets Reforms	No. of licensed commodities markets stakeholders	12	12	15	17	20			
		Facilitate and support the operationalization of KOMEX	Approved Exchange	-	Provisional Approval	-	Full Approval	-	5,000		
		Facilitate the development of digital asset markets	Policy Framework	-	June 2025	-	-	-	5,000		
		Facilitate the development of diaspora Products & services	No. of products/services	-	-	1	-	2	5,000		
		Partner with key stakeholders to support the development of a carbon credit market in Kenya.	Operationalization of carbon credit market	Gap analysis		Development of Policy Proposals	Implementation of policy	Implementation of policy	DPMD	15,500	
		Swift approval of products	Turnaround approval time in days (from the time applicant meets all regulatory requirements)	10	10	10	10	10	DMO		
			No. of ESG stakeholder workshops	1	1	1	1	1	DMO		
			Review to broaden the existing policy & regulatory framework to enhance development, issuance and uptake	No. of ESG product issuances	-	1	1	1	1	DMO	



# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Customer Perspective										
Strategic Issue: Customer Focus										
Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.										
KRA: Customer Base										
Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.										
Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
<b>Objective 3</b> Optimize customer experience and brand visibility	Enhance investor experience	Identify and advocate for the removal of impediments to foreign and local investor participation in the markets.	% increase in Market Turnover	5%	7%	9%	11%	13%	DPMD DMO	600
		Review the ICF Policy & Regulatory Framework	Reviewed framework	Gap Analysis	Develop and submit regulatory amendments proposals	-	Reviewed Framework	-	DPMD	
	Enhance Investor protection	Implement Trustee Account client relations	Trustee accounts implemented	50%	100%	100%	100%	100%	DPMD	
		Improve the turnaround time to conclude investigations.	Average time taken to complete investigations in months	5	5	5	5	5	DPMD	
		Review and update Anti-Money Laundering and Combating Terrorism Financing Regulations regularly in line with global trends.	Reviewed regulations	-	Gap Analysis	Development and submission of Regulatory amendment proposals	-	Reviewed Regulations	DMO	20,000
		Undertake timely enforcement processes	Undertake enforcement action within 12 working days after approval of recommendations to enforce.	100%	100%	100%	100%	100%	DMO	
		Upgrade surveillance, supervision, and investigation tools.	% Level of upgrade Implementation	20%	20%	20%	20%	20%	DMO	
		Undertake customer education and awareness initiatives on investor protection.	No. of engagements	3	3	3	3	3	DMO	

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## Implementation Matrix – Customer Perspective

Strategic Issue: Customer Focus

Strategic Goal: Grow aggregate market capitalization from Kshs. 5.6T to Kshs. 6.6T by 2028.

KRA: Customer Base

Outcome: Increased uptake of capital markets products and services, market liquidity and improved customer experience.

Strategic Objective	Strategic Choices	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
<b>Objective 3</b> Optimize customer experience and brand visibility	Enhance customer relationship management	Establish a centralized customer feedback system. Revamp the website to have an active customer services portal	The response rate in days Revamped website	30 50%	30 50%	30 -	30 -	30 -	DPMD	48,000
		Undertake Biennial Customer Engagement and Satisfaction Surveys	Level of the annual increase in the Customer satisfaction index	78.4%	-	79.4%	-	80.4%	CAIR	
		Develop and implement the investor education strategy	IEI Index increase per annum	2%	2%	2%	2%	2%	DPMD	
	Demystify capital markets by simplifying the message	Develop simplified message framework based on customer and product segmentation	Message framework developed and implemented	Message framework developed	Message framework Implemented					
		Enhanced social media presence	Follower growth rate	10%	10%	10%	10%	10%	DTRKM	35,000
		Increase the use of infographics, pictographic, and animations in messaging.	Response rate to enquiries from customers (Days) No. of Productions	10 1	10 2	10 2	10 2	10 2		
<b>Objective 4</b> Enhance strategic alliances	Enhance the effectiveness of the regulatory sandbox.	Undertake impact assessment of Sandbox.	Impact assessment report	June 2024	-	-	June 2026	-	DMPD DMO	5,000
		Implement the recommendations of impact assessment.	Level of implementation	-	50%	100%	-	50%	Sandbox Committee	
	Establish partnerships with international and domestic partners to advance the Authority's agenda.	Implement existing MOUs	Level of MOU implementation (annually) No. of strategic partnerships initiated	100% 2	100% 2	100% 2	100% 2	100% 2		
		Participate in international investment forums Develop and implement the Authority's stakeholder engagement strategy. Engage with commodities markets stakeholders to improve uptake	No. of forums Level of strategy implementation No. of engagements	1 Strategy developed 4	1 25% 4	1 50% 4	2 75% 4	2 100% 4	2 100% 4	DPMD DLACS DTRKM

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.1.2 Action Plan - Financial Perspective

Table 16 : Implementation Matrix - Financial Perspective

Implementation Matrix – Financial Perspective										
Strategic Issue: Financial Stewardship										
Strategic Goal: Grow Revenue from Kshs. 1B to Kshs. 1.66B by 2028										
KRA: Financial Sustainability										
Outcome: Increased return on investments, revenue, and savings										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
Objective 1 Revenue sustainability	Ensure all new products come along with sufficient fees to cover their cost of supervision	Liaise with supervisory authorities and stakeholders to ensure existing and new products generate sufficient revenue to support their supervision.	Revenue generated	1,181,692	1,286,124	1,400,613	1,526,128	1,663,730	DCS	50,000
				2.5 Mn	2.5 Mn	2.5 Mn	2.5 Mn	2.5 Mn		
	Ensure existing products and services generate revenue commensurate to the cost of their supervision	Propose policy and relevant legislative changes to support the generation of revenue commensurate to the supervision costs of existing products and services								
Objective 2 Resource Mobilization	Create vibrancy in the markets	Promote market deepening initiatives	Amount of funds allocated to of market deepening kitty	2.5 Mn	2.5 Mn	2.5 Mn	2.5 Mn	2.5 Mn	DCS SRP	3,500
				10%	10%	10%	10%	10%		
	Diversifying revenue sources	Implement Fund raising initiatives for asset replacement and major projects								
Objective 2 Resource Mobilization	Leverage relationships with Government and other development partners to raise funding	Making of proposals to Government and Development partners for funding of specific projects	Amount of funds raised	50M	150M	150M	200M	200M	DCS SRP	3,500
				10%	10%	10%	10%	10%		
		Participate in the bidding process for funds allocated by the Government for the public administration and international Relations sector								

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Financial Perspective										
Strategic Issue: Financial Stewardship										
Strategic Goal: Grow Revenue from Kshs. 1B to Kshs. 1.66B by 2028										
KRA: Financial Sustainability										
Outcome: Increased return on investments, revenue, and savings										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
	Liquidity management	Ensure timely billing	Liquidity ratio	1:1	1:1	1:1	1:1	1:1	DCS	2,400
		Ensure collection of fees and levies within 30days of billing	Collection ratio	90%	90%	90%	90%	90%		
		Cash planning to match cash outflows with inflows	Adherence to service finance charter	100%	100%	100%	100%	100%		
		Timely payment of suppliers/bills	Number of days	30	30	30	30	30		
<b>Objective 3</b> Cash Flow Management	Investment of surplus funds	Develop and implement an investment policy	Rate of Return on Investments	ROI above 91-day T-bill rate -2	ROI above 91-day T-bill rate -2	ROI above 91-day T-bill rate -2	ROI above 91-day T-bill rate -2	ROI above 91-day T-bill rate -2	DCS	6,500
		Timely budgeting	Approved budget within stipulated timelines	Expenditure within budget	Expenditure within budget	Expenditure within budget	Expenditure within budget	Expenditure within budget		
		Regular monitoring of budget utilization	Budget variance reports	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly		
		Apply value for money in budgetary disbursements	% of Total costs / Total Revenue	Less than 90%	Less than 90%	Less than 90%	Less than 90%	Less than 90%		
<b>Objective 4</b> Cost optimization	Implement lean technologies and methodologies	Develop a strategy on lean technology. Appoint and train champions. Implement cost saving strategies	% of cost savings per annum	10%	10%	10%	10%	10%	DCS	6,500

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Financial Perspective											
Strategic Issue: Financial Stewardship											
Strategic Goal: Grow Revenue from Kshs. 1B to Kshs. 1.66B by 2028											
KRA: Financial Sustainability											
Outcome: Increased return on investments, revenue, and savings											
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)		
				2023/24	2024/25	2025/26	2026/27			2027/28	
Objective 4 Cost optimization	Enforce procurement best practice	Sensitize Finance staff on the PPDA and PFMA	Reduced number of appeals to (PPRA)	0	0	0	0	0	DCS PSCMO		
		Implement PPDA									
	Optimize asset utilization	Timely payment of bills	% of pending bills to budget	Pending bill > 1% approved budget	Pending bill > 1% approved budget	Pending bill > 1% approved budget	Pending bill > 1% approved budget	Pending bill > 1% approved budget	100% compliance	DCS	
		Develop and implement asset utilization policy. Adheres to the maintenance and replacement schedule of the Authority's assets	Compliance with policy	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance		
	Improve efficiency through application of technology	Automation of processes: Regtech and Suptech, AI and Machine learning.	Automation level		20%	20%	30%	30%	30%	DMO DTRKM	100,000
	Ensure compliance with all regulatory and legal requirements	Compliance with PFMA, Statutory obligations, including reporting and other government circulars	% of Compliance	100%	100%	100%	100%	100%	100%	DCS DLACS	0
Establishment of the CMA/ Financial Center Plaza	Develop or Acquire Property	Financial center established		-	-	-	-	Financial centre established	DCS	2,000,000	

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.1.3 Action Plan - Internal Business Processes Perspective

Table 17: Implementation Matrix - Strategic Objectives & Actionable Strategies

Implementation Matrix – Internal Business Processes Perspective										
Strategic Issue: Internal Business Processes										
Strategic Goals: Service Delivery Excellence										
KRA: Performance, Productivity and Risk										
Outcome: Improved organizational performance, productivity and efficiency.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
<b>Objective 1</b> Comply with ALL applicable legal and Regulatory requirements	Ensure legal and compliance audits are undertaken	Conduct Annual Internal Legal and Compliance Audits and one external legal and Compliance Audit every two (2) years	Internal legal and compliance Audit Report	June	-	June	-	June	DLACS	-
		Compliance level	100%	100%	100%	100%	DLACS	-		
	Ensure alignment of the CMA processes with the Data Protection Act	Operationalize the CMA data protection committee	Quarterly reports to the Board	4 reports	4 reports	4 reports	4 reports	4 reports	DLACS	2,000
		Collaborate with the office of the Data Commissioner on capacity building	Capacity Building report	June	-	June	-	June	DLACS	5,000
		Review the draft policy	Approved policy	June	-	-	-	DLACS	500	
		Implement the requirements of the Data Protection Act	Quarterly reports on implementation status	4 reports	4 reports	4 reports	4 reports	4 reports	DLACS	-

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective											
Strategic Issue: Internal Business Processes											
Strategic Goals: Service Delivery Excellence											
KRA: Performance, Productivity and Risk											
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27	2027/28			
Objective 2 Ensure protection CMA interests	Effective management of the litigation function	Timely preparation of pleadings in litigation matters and submission of pleadings within the requisite timelines	Quarterly reports on status	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports	DLACS	15,000
		Attending court and the Tribunal cases	Quarterly status report on litigation matters	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports	DLACS	135,000
		Timely resolution of disputes through effective Alternative Dispute Resolution (ADR) mechanisms	Quarterly reports of number of cases settled out of court or through ADR	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports	4 reports	DLACS
Reduce exposure of the Authority to legal and financial risk		Provide legal advisory to Management and the Board upon request	Legal opinions submitted as requested	100%	100%	100%	100%	100%	100%	DLACS	-
		Review contracts and all undertakings by the Authority are in line with applicable law	Legal opinions submitted as requested	100%	100%	100%	100%	100%	100%	100%	DLACS

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective											
Strategic Issue: Internal Business Processes											
Strategic Goals: Service Delivery Excellence											
KRA: Performance, Productivity and Risk											
Outcome: Improved organizational performance, productivity and efficiency.											
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27	2027/28			
<b>Objective 3</b> Enhance the Strategy, Performance, Enterprise Risk, and project Management framework	<p>Improve Strategic Planning, development, implementation, and monitoring.</p> <p>Augment Enterprise Risk Management and Business Continuity framework.</p> <p>Maintain the Authority's Quality Management System (QMS) certification under ISO 9001.</p> <p>Implementing effective project management practices.</p>	Cascading of the SP across the Authority	Annual corporate work plan (ACWP)	ACWP 2023/24	ACWP 2024/25	ACWP 2025/26	ACWP 2026/27	ACWP 2027/28	SRP	-	
		Monitoring & evaluation of the implementation of the Strategic Plan	Number of reports on achievement of quarterly targets	4	4	4	4	4	SRP	-	
		Undertake annual review of the SP	Annual review report	-	July	-	July	June	SRP	8,000	
		Undertake mid-term review of the SP	Mid-term review report	-	-	June 2026	-	-	SRP	8,000	
<b>Objective 3</b> Enhance the Strategy, Performance, Enterprise Risk, and project Management framework	<p>Conducting a comprehensive assessment of the existing enterprise risk management framework to identify areas for improvement</p> <p>Undertake capacity building, internal and external audits, hold Management Review meetings and all other compliance requirements of the standard</p> <p>Coordinating implementation of projects</p> <p>Performance measurement and reporting</p>	Review completed by June 2024	% of recommendations implemented	Review completed by June 2024	25% of recommendations achieved by June 2025	50% of recommendations achieved by June 2026	75% of recommendations achieved by June 2027	100% of recommendations achieved by June 2028	SRP	10,000	
		Continued recertification of the Authority	% of recommendations implemented	Continued recertification of the Authority	December 2024	-	-	-	December 2027	SRP	25,000
		Projects implementation	Projects implementation	Biweekly, monthly, and quarterly reports	-	-	-	-	-	SRP	-
		Quarterly and annual reports	Quarterly and annual reports	Quarterly and annual reports	-	-	-	-	-	SRP	2,500



# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective										
Strategic Issue: Internal Business Processes										
Strategic Goals: Service Delivery Excellence										
KRA: Performance, Productivity and Risk										
Outcome: Improved organizational performance, productivity and efficiency.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)
				2023/24	2024/25	2025/26	2026/27	2027/28		
Objective 4 Enhance Operational Efficiency	Digitise and optimise operational systems. (front-end systems and back-office systems)	Enhance supervision, Risk & Surveillance Management Systems (Supervisory Technology). Introduce surveillance of other markets.	% utilization	70%	75%	80%	85%	90%	DTRKM	2,000
		Enhance Regulatory Management (Systems (E-registration, Approval & Licensing, – Regulatory Technology)	% utilization	70%	75%	80%	85%	90%	DTRKM	2,000
		Enhance reporting Financial Analysis & Issuer Governance (systems reporting)	% utilization	70%	75%	80%	85%	90%	DTRKM	2,000
		Enhance investigation & Enforcement (complaints Management)	% utilization	70%	75%	80%	85%	90%	DTRKM	500
		Customer Relation Management System (CRM) Customer Facing	Develop and % level of implementation	0	80%	85%	90%	95%	DTRKM	500
		CRM- enhance workflows and all data are captured.	% utilization	70%	75%	80%	85%	90%	DTRKM	500
		ERP integrated reporting and improve ERP reports	Level of utilization	Integrate by June 30 <sup>th</sup> 2024	75%	80%	85%	90%	DTRKM	2,000
		HRMIS performance management reporting	Level of utilization and the no. of Successful reporting from HRMIS	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	DTRKM	2,000
		PPRMIS – Enhance and integrate with HRMIS to suit performance reporting	Level of utilization of the implemented solution and the no. of Successful reporting from.	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	DTRKM	2,000
		Case Management System	% of utilization of the system	80%	85%	85%	90%	95%	DTRKM	500

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective											
Strategic Issue: Internal Business Processes											
Strategic Goals: Service Delivery Excellence											
KRA: Performance, Productivity and Risk											
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27	2027/28			
Outcome: Improved organizational performance, productivity and efficiency.											
Objective 4 Enhance Operational Efficiency	2. Develop an ICT innovation centre to support inhouse software development and R&D of emerging technologies	Implement innovative technologies for service delivery systems, blockchain and crypto techs  Undertake Business Process re-engineering to enhance service delivery (TATs) through optimization of existing systems (ICT)	% uptime  No. of innovation created and utilized	90%  1	95%  1	95%  1	95%  1	95%  1	95%  1	DTRKM	1,000
		Undertake Knowledge creation strategies (Knowledge maps), socialization, SMEs and communities of practice (Cops), explicit knowledge, analytics insights	% utilization of the implemented system	80%	85%	85%	90%	95%	95%	DTRKM	1,000
	3. Establish and operationalise Knowledge management framework	Develop and Implement Knowledge storage and reuse of existing knowledge  Develop and Implement knowledge Retention strategies through Knowledge products, micro learning, E-learning, succession planning, coaching and mentorship, Resource centre	% of use and utilization level  % of use and utilization of the implemented solutions	95%  95%	95%  95%	95%  95%	95%  95%	95%  95%	95%  95%	DTRKM	1,000
	4. Upgrade hardware and software (ICT infrastructure)	Implement knowledge sharing culture  Upgrade core infrastructure /replace obsolete systems (e.g., Data Centre DR Centre, WAN, LAN, Wi-Fi, Upgrades, etc)	% of use and utilization  % of uptime for each activity  User satisfaction	95.0%  98.0%	95.0%  98.0%	95.0%  98.0%	95.0%  98.0%	95.0%  98.0%	95.0%  98.0%	DTRKM	1,000
				95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	DTRKM	100,000,000

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective											
Strategic Issue: Internal Business Processes											
Strategic Goals: Service Delivery Excellence											
KRA: Performance, Productivity and Risk											
Outcome: Improved organizational performance, productivity and efficiency.											
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)	
				2023/24	2024/25	2025/26	2026/27	2027/28			
<b>Objective 5</b> Optimize Supply Chain operational efficiency.	1. Promote Strategic Sourcing	Development and consolidation of the Annual Procurement and Disposal Plan with User Requirements	Approved Annual Procurement and Disposal Plan	30th June	30th June	30th June	30th June	30th June	PSCMO	500	
		Review the Supply Chain Management (SCM) Policy and Procedures Manual	Approved SCM policy and procedures manual	-	30th June	-	-	-	PSCMO	500	
		Constitute Contract Implementation Teams (CITs)	Number of CITs constituted	5	5	5	5	5	PSCMO	-	
		Training of Supply Chain staff and Procurement committee members	Committee members trained	5	5	5	5	5	PSCMO	2,500	
			Number of trainings	1	1	1	1	1	PSCMO		
			Executed contracts	All critical services contracted	All critical services contracted	All critical services contracted	All critical services contracted	All critical services contracted	PSCMO	2,500	
			Identify and outsource critical services using contracts and framework agreements/contracts	Framework agreements/contracts	Framework contracts for all stock items and common operational requirements	Framework contracts for all stock items and common operational requirements	Framework contracts for all stock items and common operational requirements	Framework contracts for all stock items and common operational requirements	PSCMO		
			Optimization of transportation and logistics	Transportation and logistics reports/records	1	1	1	1	1	DCS	1.000

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective										
Strategic Issue: Internal Business Processes										
Strategic Goals: Service Delivery Excellence										
KRA: Performance, Productivity and Risk										
Outcome: Improved organizational performance, productivity and efficiency.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target				Responsibility	Budget (K\$'s, '000)	
				2023/24	2024/25	2025/26	2026/27			2027/28
<b>Objective 5</b> Optimize Supply Chain operational efficiency.	2. Maintain optimal inventory levels.	Establish and maintain optimal inventory levels	Optimal periodic stock levels report/ records	Monthly	Monthly	Monthly	Monthly	PSCMO	1,000	
	3. Leverage on technology.	Automate Procurement Processes	Level of automation	70%	75%	80%	90%	PSCMO	5,000	
	4. Enhance strategic relationships with suppliers.	Supplier capacity building. Identify and improve strategic competencies, knowledge and skills for supplier capacity development	Number of supplier sensitization programmes undertaken	1 Annually	1 Annually	1 Annually	1 Annually	PSCMO	2,500	
		1. Compile and submit statutory reports	Timely and accurate reports	100% compliance	100% compliance	100% compliance	100% compliance	PSCMO	-	
<b>Objective 6</b> Enhance Regulatory Compliance and Governance while Reducing Supply Chain Risks		2. Comply with ethical practices in procurement	No. of unethical practices reported	100% compliance	100% compliance	100% compliance	100% compliance	PSCMO	-	
		Implementation of Preference and Reservation Schemes	% Awards to AGPO registered firms of the total Annual Procurement Plan spend	30%	30%	30%	30%	PSCMO	100,000	
		1. Ensure Compliance with the Public Procurement and Asset Disposal Act and Regulations and Safety Requirements	% Awards for Local Content of the total Annual Procurement Plan spend	40%	40%	40%	40%	PSCMO	500,000	
		Publish tenders and contracts on the Public Procurement Information Portal and CMA website	Number of tenders and contracts published	All tenders and contracts	All tenders and contracts	All tenders and contracts	All tenders and contracts	PSCMO	500	
	Identify and implement green procurement initiatives	Number of green procurement initiatives	1	2	3	4	5	PSCMO	1,000	
	Comply with the Occupation Safety Health Act (OSHA) Requirements	Compliance Reports to OSHA Requirements	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance	DCS	-	

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Internal Business Processes Perspective										
Strategic Issue: Internal Business Processes										
Strategic Goals: Service Delivery Excellence										
KRA: Performance, Productivity and Risk										
Outcome: Improved organizational performance, productivity and efficiency.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)
				2023/24	2024/25	2025/26	2026/27	2027/28		
<b>Objective 6</b> Enhance Regulatory Compliance and Governance while Reducing Supply Chain Risks	2. Effective disposal of obsolete items in line with the Annual Disposal Plan	Conduct board of survey of items identified for disposal	Board of survey and assets disposal report	March 2024	March 2025	March 2026	March 2027	March 2028	PSCMO	2,000
	3. Confirm quality of goods and services procured and received	Develop comprehensive specifications of all commonly used supplies	Up to date specifications database of common user products/ services	Annual	Annual	Annual	Annual	Annual	PSCMO	250
		Inspect and accept goods/ services/works delivered for quality	% inspection and acceptance report of goods and services received	100%	100%	100%	100%	100%	PSCMO	
	4. Safeguard all inventory against pilferage and damage	Maintain current and accurate stock levels	Stock levels report reconciled against physical stock	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	PSCMO	500
<b>Objective 7</b> Manage Procurement Costs while Ensuring Value for Money	1. Competitive sourcing using the appropriate procurement methods and negotiations where applicable	1. Undertake market survey and due diligence to determine best quality and pricing	Number of market surveys and due diligence exercises undertaken	Biannually	Biannually	Biannually	Biannually	Biannually	PSCMO	2,000
		2. Acquisition of goods and services using the most transparent, effective, and appropriate procurement method	Procurement method in compliance with the requirements of the Procurement Laws and Regulations	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance	PSCMO	5,000
		3. Undertake negotiations before contract award where applicable	% Discount of tender sum	≥5%	≥5%	≥5%	≥5%	≥5%	PSCMO	1,000

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.1.4 Action Plan - Organizational Capacity / Learning & Growth Perspective

Table 18 : Implementation Matrix - Organizational Capacity Perspective

Implementation Matrix – Organizational Capacity / Learning & Growth Perspective												
Strategic Issue: Organizational Capacity, Learning and Growth												
Strategic Goals: Attract, develop, engage and retain competent staff complement												
KRA: Human Resource												
Outcome: Improved staff productivity, motivation, and retention.												
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)		
				2023/24	2024/25	2025/26	2026/27	2027/28				
Objective 1 Build and enhance human resource capacity	Competency-based talent acquisition	Develop and implement a comprehensive manpower plan.	Approved manpower plan.	-	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	DCS	N/A	
		Conduct competency-based assessments (recruitment).	No. of assessment methods	Minimum of 2	Minimum of 2	Minimum of 2	Minimum of 2	Minimum of 2	Minimum of 2	DCS	7,500	
	Implement robust onboarding program(s).	% of new employees on boarded	100%	100%	100%	100%	100%	100%	100%	DCS	1,250	
	Implement employee development programs.	Develop and implement a Training Needs Assessment (TNA) plan.	Approved TNA plan	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	DCS	N/A	
		Implement learning and development (L&D) programs.	Approved Annual L&D Plan	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	By September 30 <sup>th</sup> .	DCS	425	
	Maintain a conducive and adaptive work environment.	Monitor and evaluate learning and development programs.	% implementation of L&D programs	80%	80%	80%	80%	80%	80%	80%	DCS	N/A
		Conduct employee engagement survey.	Employee engagement index.	75%	-	77%	-	79%	-	79%	DCS	3,600
		Benchmark on work environment initiatives geared towards improvement of the work environment	No. of benchmarks undertaken	1	-	-	1	-	-	-	DCS	4,000
		Implement initiatives geared towards improving the work environment.	Work environment index.	75%	-	77%	-	79%	-	79%	DCS	3,600

# IMPLEMENTATION AND COORDINATION FRAMEWORK

Implementation Matrix – Organizational Capacity / Learning & Growth Perspective										
Strategic Issue: Organizational Capacity, Learning and Growth										
Strategic Goals: Attract, develop, engage and retain competent staff complement										
KRA: Human Resource										
Outcome: Improved staff productivity, motivation, and retention.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)
				2023/24	2024/25	2025/26	2026/27	2027/28		
Enhance a high performance and productivity culture.		1. Tracking and measuring performance and productivity on a timely basis.	Annual Performance Score	Very Good	Very Good	Very Good	Very Good	Very Good	SRP DCS	N/A
		2. Recognizing and rewarding performance and productivity.	Productivity index	Good	Good	Very Good	Very Good	Very Good		
		3 Roll out and sensitization on productivity measurement.	Quarterly recognition	2	3	3	4	4	DCS	6,000
<b>Objective 2</b> Effective succession management.	Implement effective knowledge and succession management	1 Knowledge management policy.	Level of implementation	100%	100%	100%	100%	100%	SRP DCS	3,850
		2. Implement knowledge sharing initiatives.	100% implementation	By 31 <sup>st</sup> March.	-	-	-	-	DTRKM	850
		3. Implement programs for cross-training, coaching and mentoring.	% of sharing initiatives carried out	-	40%	60%	75%	90%	DTRKM DCS	500
<b>Objective 3</b> Strengthen compliance with laws, regulations and government directives	Compliance with all employment/labour related legislations and government circulars	Implement Succession Management Policy/ Framework	% no. of employees coached and mentored	80%	70%	60%	50%	40%	DCS	2,500
		Implement the relevant provisions as applicable on a continuous basis.	% of implementation	80%	80%	80%	80%	80%		15,000
		Identify and submit proposed redundant clauses or those that require review.	Percentage compliance	100%	100%	100%	100%	100%	DCS	3,000
			Submitted amendments of the HR instruments	-	By 30 <sup>th</sup> September.	-	By 31 <sup>st</sup> December.	-	DCS	4,000

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.1.5 Action Plan - Leadership and Governance Perspective

Table 19 : Implementation Matrix – Leadership and Governance Perspective

Implementation Matrix – Leadership and Governance Perspective										
Strategic Issue: Leadership and Governance										
Strategic Goal: Strengthen Leadership and Governance										
KRA: Environmental, Social and Governance										
Outcome: Enhanced accountability.										
Strategic Objective	Strategies	Activities	Key Performance Indicators (KPI)	Annual Target					Responsibility	Budget (Kshs. '000)
				2023/24	2024/25	2025/26	2026/27	2027/28		
<b>Objective 1</b> Implement good corporate governance practices	Ensure Board Compliance with Mwangazi Code	Conduct annual governance audits and one external governance audit every two (2) years	Board score	100%	100%	100%	100%	100%	DLACS DCS	-
		Undertake internal Board induction for new Board members prior to being on-boarded to the business of the Authority and external as and when conducted by SCAC	Governance Audit report	-	-	By June, 2025	By June 2028	By June 2028	DLACS DCS	2,500
			Report of the Board Induction	Within one month of appointment	Within one month of appointment	Within one month of appointment	Within one month of appointment	Within one month of appointment	DLACS DCS	2,500
			% of new Board members inducted	100%	100%	100%	100%	100%	DCS	-
			Self-evaluation report	July	July	July	July	July	DLACS DCS	1,500
		Conduct an annual Board Evaluation	Evaluation score	Satisfactory	satisfactory	satisfactory	satisfactory	DLACS	-	
		Capacity building for the Board.	Approved Board Annual Training Plan	July	July	July	July	DLACS DCS CEO	50,000	
			% of Board Members trained	100%	100%	100%	100%	DLACS	-	
		Develop & implement ESG policy	Approved ESG Policy	June 2024	-	-	-	DMO DLACS	2,000	
		Mainstream ESG factors into CMA's operations	Report on Board and staff awareness and capacity building sessions	December 2023	December 2024	December 2025	December 2026	December 2027	DMO	5,000,
<b>Objective 2</b> Strengthen Internal Control systems	Enhancement of internal controls within the Authority	Develop Board and staff capacity on ESG	Annual reports on ESG practices	-	-	June	June	June	DMO DLACS DCS	-
		Implement an effective internal control framework	Compliance	100%	100%	100%	100%	100%	Directors	-
		Assess the overall internal control system of the Authority and recommend areas of improvement	Level of implementation of the approved Audit Plan	100%	100%	100%	100%	100%	DIA	-
			Level of implementation of recommendations	100%	100%	100%	100%	100%	Senior Managers	-
		Acquire and roll out an audit data analytics software	1. % of Utilization of the data analytics software	75% utilization year 1	85% utilization year on 2	90% utilization year on 3	90% utilization year on 3	95% utilization year on 3	DIA	5,000



# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.2 Coordination Framework

### 6.2.1 Institutional Framework

The Authority is organized into two (2) tiers which comprise governance and management.

#### a) Governance Structure

This comprises the Board as established under section 5 of the Capital Markets Act CAP485A (Amended 2018). The Board is the supreme decision-making organ of CMA.

#### b) The Board

The Authority is composed of a Board constituted as follows:

- i. A chairman appointed by the President on the recommendation of the Cabinet Secretary of the National Treasury & Economic Planning.
- ii. Six other members appointed by the Cabinet Secretary.
- iii. The Principal Secretary of the National Treasury & Economic Planning or a person deputed by them.
- iv. The Governor of the Central Bank of Kenya (CBK) or a person deputed by them.
- v. The Attorney General or a person deputed by them; and
- vi. The Chief Executive Officer (CEO) of the Authority.

#### c) Board Committees

Subject to fundamental, strategic, policy and formal matters reserved for its decision, pursuant to Section 14 of the Capital Markets Act, the Board works through several committees which operate within defined Terms of Reference (ToRs). Other committees are formed on an ad-hoc basis as the need arises. The following are the Board committees:

##### **The Finance and Planning Committee**

The committee has oversight on all financial issues including budgets, financial reporting process and controls and procurement.

##### **The Audit, Corporate Governance and Risk Management Committee**

The Committee has oversight responsibility for reviewing, assessing adequacy, and monitoring of internal controls, risk management and corporate governance processes. This committee is also responsible for examining internal and external audit reports and recommendations as well as overseeing financial reporting and reviewing the accounting principles, policies and practices adopted in the preparation of Annual Report and Financial Statements.

##### **The Human Resource and Communication Committee**

The committee is responsible for human resource matters including recruitment, management succession as well as the corporate communication function.

##### **The Technical and Policy Committee**

The committee is responsible for considering technical and policy matters of the Authority, including reviewing the Authority's strategy and continuous oversight of the review of the capital market legal and regulatory frameworks.

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## d) Management

The Authority is headed by a Chief Executive Officer who is responsible to the Board for the day-to-day operations of CMA.

The Authority is organized into Directorates and Departments and functional units directly reporting to the CEO as indicated below:

- i. Corporation Secretary & Legal Services Directorate
- ii. Market Operations Directorate
- iii. Policy & Market Development Directorate
- iv. Technology Research and Knowledge Management Directorate
- v. Commodities Department
- vi. Strategy, Risks & Projects Department
- vii. Corporate Services Directorate
- viii. Supply Chain Management Department
- ix. Internal Audit Directorate

Corporation Secretary and Internal Audit functionally report to the Board and administratively to the CEO.

The Authority structure is as follows and may be reviewed on a need basis based on strategic direction:

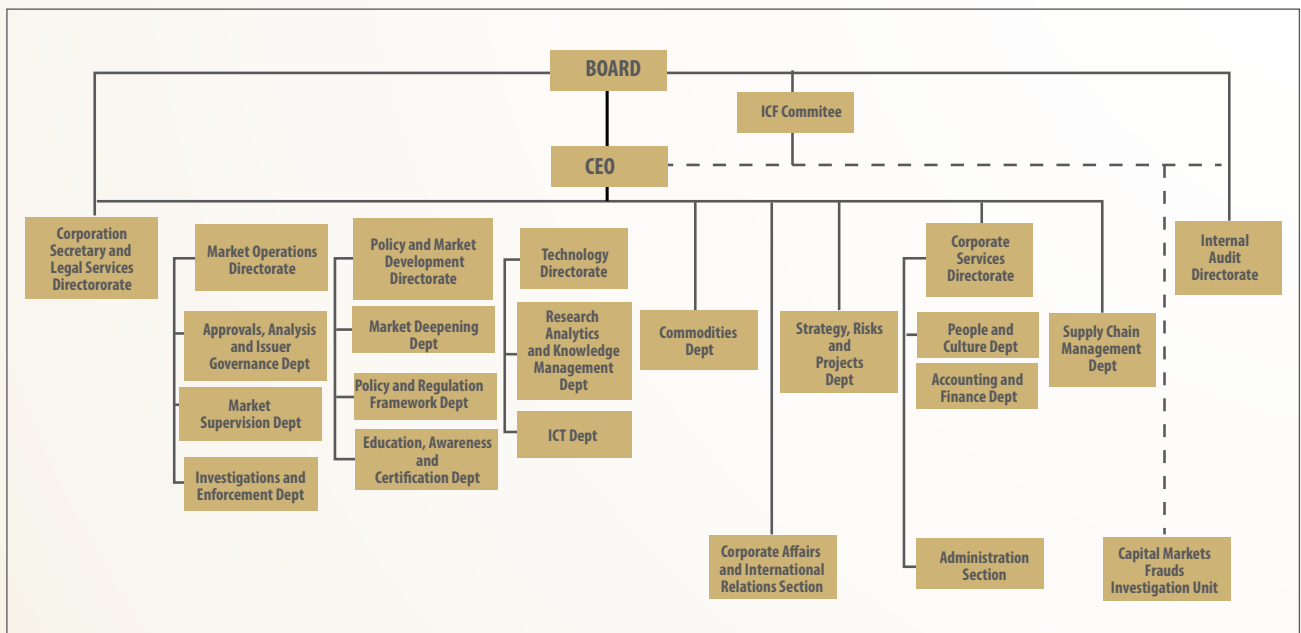


Figure 3: CMA Organization Structure

# IMPLEMENTATION AND COORDINATION FRAMEWORK

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

The Authority will continue to grow and expand its human resource capacity through resourcing, learning and development to meet the service delivery needs of the market. As of July 2023, there are 93 staff in post against a staff establishment of 165 occasioning a vacancy ratio of 43.6%.

**Table 20 : Current Staff Establishment**

Job title	Grade	Establishment	In post	Variance
Chief Executive Officer	1	1	1	0
Director/Lead Specialist	2	6	5	1
Senior Manager/Senior Specialist	3	14	9	5
Manager/Principal Officer/Principal Specialist	4	26	19	7
Senior Officer/Specialist	6/5	47	32	15
Officer	7/6	60	24	36
Assistant Officer				
Senior Office Assistant/ Office Assistant/ Graduate Trainees	9/8	11	3	8
<b>Total</b>		<b>165</b>	<b>93</b>	<b>72</b>

During the Strategic Plan period skills enhancement shall be undertaken through different approaches to ensure delivery of the Plan and the overall mandate of the organization in line with the approved CMA HR Instruments. Business needs shall also be assessed continuously to determine any need for additional skills to be considered within the approved establishment subject to budgetary considerations and approvals among other factors.

## 6.2.3 Leadership

The implementation of the Strategic Plan will be overseen by the office of the Chief Executive through the Strategy, Risks and Projects department. The Authority has different champions overseeing the implementation of the different perspectives as per the table below:

**Table 21 : Strategic Theme Team**

Strategic Issue	Strategic Theme Team
Customer Focus	Director – Policy and Market Development (DPMD), Director – Market Operations (DMO), Manager – Corporate Affairs and International Relations (MCAIR) and Senior Manager - Commodities (SMC).
Financial Stewardship	Director – Corporate Services (DCS), and Senior Manager, Strategy, Risks, and Projects (SMSRP).
Internal Business Processes	Director – Technology, Research and Knowledge Management (DTRKM), Director – Legal Affairs and Corporation Secretary (DLACS), Principal Supply Chain Management Officer (PSCMO) and Senior Manager – Strategy, Risks, and Projects (SMSRP).
Organizational Capacity/ Learning & Growth	DCS
Leadership and Governance	DLACS and Director – Internal Audit (DIA)

## 6.2.4 Systems and Procedures

CMA is ISO 9001:2015 certified, with adequate standard operating procedures by key departments which will be reviewed periodically to ensure appropriateness in championing the efficient and effective implementation of the Strategic Plan.

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.3 Risk Management Framework

The Authority has developed a risk management framework and policy to guide risk management processes and support the achievement of its strategic goals, in accordance with relevant regulations and codes (i.e., Public Finance Management Act 2012; Public Finance Management (National Government) Regulations, 2015 and Mwongozo (the code of governance for state corporations). All members of the Authority share the responsibility of managing risks to ensure the fulfillment of strategic objectives. The Authority follows the Three Lines of Defence Model, which establishes clear accountability and ownership for risk management and separates risk-taking from risk oversight. This model promotes a risk culture that emphasizes awareness, appropriate behaviors, and decision-making based on risk.

According to the Three Lines of Defence Model, the Board is the primary stakeholder and receives support from three lines of defence to effectively oversee risk management. The CEO and Directors are responsible for implementing the Risk Management Policy and ensuring strategic risks are well-managed. Senior Managers/Heads of Departments form the first line of defence and are accountable for cascading the Risk Management Policy throughout the Authority and integrating risk management into all activities. The Risk Management function serves as the second line of defence, assisting managers in identifying threats and opportunities and selecting suitable risk treatment measures. Internal audit serves as the third line of defence and provides independent assurance to the Board and Management regarding the effectiveness of the Authority's Enterprise Risk Management Framework.

Ultimately, it is the responsibility of the CEO and Directors to implement the Risk Management Policy and effectively manage corporate risks, while the Board ensures proper risk management oversight and governance.

The CMA Risk Management structure is as follows:



Figure 4: CMA Risk Management Structure

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.3.1 Risk Management Process

The risk management process is a systematic application of policies, procedures, and practices that involves various activities such as communicating and consulting, establishing the context, assessing, treating, monitoring, reviewing, recording, and reporting risks. CMA's risk management process complies with the requirements of the PFM Act Section 165, Treasury Circular No 3/2009, and has been designed in-line with the ISO 31000:2018 Risk Management Standard Guidelines. The process is integrated with CMA Quality Management System based on ISO 9001:2015 standard.

The diagram below illustrates the risk management process at CMA:

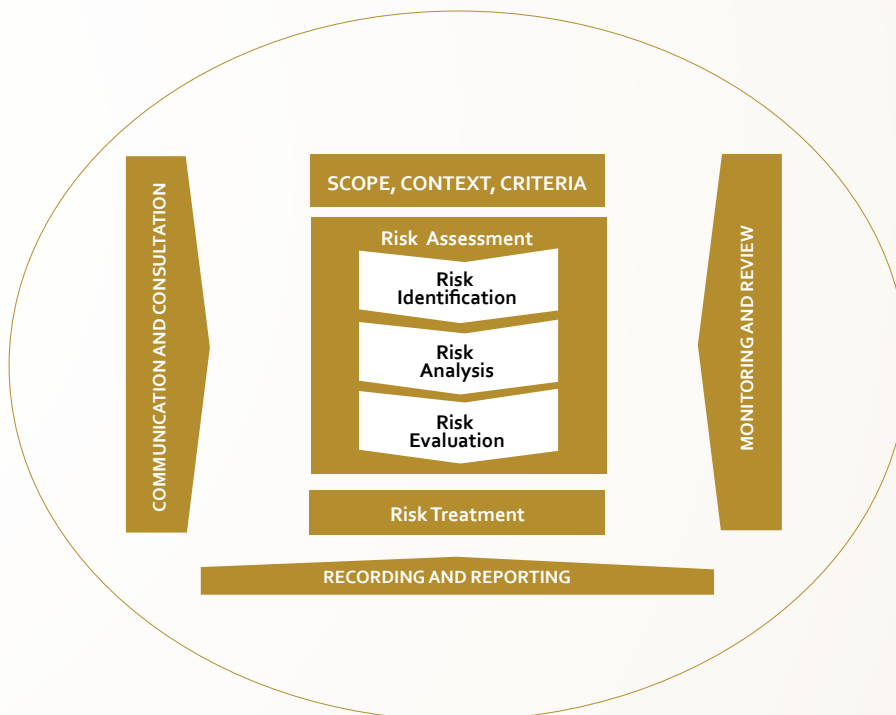


Figure 5: Risk Management Guidelines

## 6.3.2 Communication and Consultation

The purpose of communication and consultation is to assist relevant stakeholders in understanding risk, the basis for decision-making and the reasons behind required actions. Communication aims to raise awareness and understanding of risk, while consultation involves gathering feedback and information to support decision-making.

The Authority has a comprehensive system for risk communication and consultation within the institution spearheaded by the Strategy, Risk and Projects Department in collaboration with departmental risk champions and owners, Senior Management, the entire staff, and the board.

## 6.3.3 Scope, Context, and Criteria

Establishing the scope, context and criteria is important to tailor the risk management process, enabling effective risk assessment and appropriate risk treatment. This involves defining the scope of the process and understanding the external and internal context. The organization should clearly define the scope of its risk management activities considering different levels (e.g., strategic, operational, program, project), and aligning relevant objectives with organizational objectives.

# IMPLEMENTATION AND COORDINATION FRAMEWORK

## 6.3.4 Risk Assessment

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation. Risk assessment should be conducted systematically, iteratively, and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary.

- i) **Risk Identification** - The purpose of risk identification is to find, recognize and describe risks that might help or prevent an organization from achieving its objectives.
- ii) **Risk Analysis** - The purpose of risk analysis is to comprehend the nature of risk and its characteristics including, where appropriate, the level of risk. Risk analysis involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls, and their effectiveness.
- iii) **Risk Evaluation** - The purpose of risk evaluation is to support decisions. Risk evaluation involves comparing the results of the risk analysis with the established risk criteria to determine where additional action is required.

The Authority has a 5\*5 risk assessment methodology for the likelihood and impact of its possible risks and opportunities that informs its risk treatment decisions as summarized below.

**Table 22 : Risk Impact Rating and Score**

Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
An event that, if it occurs would have no effect on the achievement of the targets set	An event that, if it occurs, will cause small cost (and/or schedule) increases that, in most cases, can be absorbed by the activity, project or department	An event that, if it occurred, would cause moderate cost and schedule increases, but important requirements would still be met	An event that, if it occurred, would cause major cost and schedule increases. Secondary requirements may not be achieved	The regulatory or statutory standing of the Authority is brought into serious question or the project is terminated

**Table 23 : Opportunity Impact Rating and Score**

Insignificant 1	Minor 2	Moderate 3	Major 4	Transformational 5
An opportunity that if it materializes would have no noticeable effect on the achievement of the targets et.	An opportunity that if it materializes would yield a small cost and/or schedule saving to an activity, project or department	An opportunity that if it materializes would yield a moderate cost and/or schedule savings and would enhance the achievement of important requirements	An opportunity that if it materializes would yield a major cost and/or schedule savings and would greatly enhance the achievement of important and secondary requirements	An opportunity that if it materializes would greatly transform the strategic impact of the Authority and the continued realization of its strategic mandate.

**Table 24 : Risk/Opportunity Likelihood Rating and Score**

Probability	Description	Risk Score	Opportunity Score	Consideration
Almost Certain	90% or greater chance of the event occurring during the life of the objective	5	5	The risk/ opportunity event has occurred during the last 3-6 months or is certain to occur in the next 3-6 months
Highly Likely	65% to 90% chance of the event occurring during the life of the objective	4	4	There is a history of frequent occurrence. The risk/ opportunity event has occurred during the last 6-12 months or may occur in the next 6-12 months
Likely	35% to 65% chance of the event occurring during the life of the objective	3	3	There is a history of casual occurrence. The risk/ opportunity event has occurred during the last 12-36 months or may occur in the next 12-36 months

# IMPLEMENTATION AND COORDINATION FRAMEWORK

<b>Unlikely</b>	10% to 35% chance of the event occurring during the life of the objective	2	2	The risk/ opportunity event occurs from time to time. The event has occurred during the last 36-60 months or may occur in the next 36-60 months
<b>Rare</b>	Less than 10% chance of the event occurring during the life of the objective	1	1	The risk/ opportunity event has not occurred in CMA but has occurred in other similar organizations. The risk event may occur beyond the next 60 months

**Table 25 : Overall Risk Rating**

Overall Risk Rating						
<b>Impact</b>	<b>Catastrophic</b> 5	5	10	15	20	25
	<b>Major</b> 4	4	8	12	16	20
	<b>Moderate</b> 3	3	6	9	12	15
	<b>Minor</b> 2	2	4	6	8	10
	<b>Insignificant</b> 1	1	2	3	4	5
		<b>Rare</b> 1	<b>Unlikely</b> 2	<b>Likely</b> 3	<b>Highly Likely</b> 4	<b>Almost Certain</b> 5
		Likelihood				

**Table 26 : Overall Opportunity Rating**

Overall Opportunity Rating						
<b>Impact</b>	<b>Transformational</b> 5	5	10	15	20	25
	<b>Major</b> 4	4	8	12	16	20
	<b>Moderate</b> 3	3	6	9	12	15
	<b>Minor</b> 2	2	4	6	8	10
	<b>Insignificant</b> 1	1	2	3	4	5
		<b>Rare</b> 1	<b>Unlikely</b> 2	<b>Likely</b> 3	<b>Highly Likely</b> 4	<b>Almost Certain</b> 5
		Likelihood				

### 6.3.5 Risk Treatment

The purpose of risk treatment is to select and implement options for addressing risk. Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort, or disadvantages of implementation.

# IMPLEMENTATION AND COORDINATION FRAMEWORK

The Authority’s risk/ opportunity treatment decision is guided by the overall risk score as summarized below.

**Table 27: Risk Treatment Decision**

Risk Treatment Decision		
Overall Score	Overall Rating	Risk Treatment Decision
20-25	Very High	Extensive management essential
10-16	High	Management effort required
5-9	Medium	Management effort worthwhile
3-4	Low	Risk may be worth accepting while monitoring
1-2	Very Low	Accept

**Table 28 : Opportunity Treatment Decision**

Opportunity Treatment Decision		
Overall Score	Overall Rating	Opportunity Treatment Decision
20-25	Very High	Extensive management effort essential to harness opportunity
10-16	High	Management effort required to actualize opportunity
5-9	Medium	Management effort worthwhile to pursue opportunity
3-4	Low	Opportunity worth monitoring
1-2	Very Low	Opportunity worth noting

### 6.3.6 Monitoring and Review

The purpose of monitoring and reviewing is to ensure and enhance the quality and effectiveness of process design, implementation, and outcomes. Ongoing monitoring and periodic review of the risk management process and its outcomes should be an integral and planned part of the overall risk management process, with clearly defined responsibilities.

The Authority maintains continuous monitoring of its risk management process to identify areas of improvement and ensure its effectiveness. Additionally, a comprehensive review is conducted every five years to align with the development of new Strategic Plans. In line with this approach, the Authority will thus review its Enterprise Risk Management (ERM) Framework and align it with this Strategic Plan in its first year, 2023/24. This review process ensures that the ERM Framework remains up to date and relevant to the Authority’s evolving needs and strategic objectives.

### 6.3.7 Recording and Reporting

The risk management process and its outcomes should be documented and reported through appropriate mechanisms. To fulfil this requirement, the Authority has internally developed a Projects, Performance and Risks Management Information System (PPRMIS) that has automated the Authority’s risk register. Departmental champions add risks and opportunities into the system, which are then reviewed and approved by their Heads of Departments (HODs). These risks and opportunities undergo continuous updates.

Quarterly reports are generated from the PPRMIS for discussion in the Performance and Risk Management Committee (PRMC), which consists of the Authority’s management. Subsequently, Directors prepare a report for update to the Board through the CEO. This report is then presented to the Audit, Corporate Governance, and Risk Management Committee, which provides feedback and recommendations for improvement through the CEO. The Audit Committee subsequently presents a report to the full Board for an update on the risk management activities.

By utilizing the PPRMIS and following this reporting structure, the Authority ensures that the risk management process is effectively documented and reported, allowing for transparency, oversight, and continuous improvement.





# 7

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## RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

# RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

The chapter presents the financial requirements for each perspective, resource gaps and resource mobilization strategies.

## 7.1 Financial Requirements Per Perspective

The estimated five-year financial requirements have been guided by estimates on a year-by-year annual workplan basis.

**Table 29 : Financial Requirements per Perspective**

Cost Item	Projected Resource Requirements (Ksh. 000)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Customer Base	123,585.00	164,780.00	247,170.00	164,780.00	123,585.00	823,900.00
Financial Sustainability	24,360.00	32,480.00	48,720.00	32,480.00	24,360.00	162,400.00
Performance, Productivity & Risk	143,962.50	191,950.00	287,925.00	191,950.00	143,962.50	959,750.00
Human Resource Programs	8,411.25	11,215.00	16,822.50	11,215.00	8,411.25	56,075.00
Environmental Social and Governance	10,275.00	13,700.00	20,550.00	13,700.00	10,275.00	68,500.00
*Administrative costs	802,215.20	864,874.40	933,567.80	1,008,876.80	1,091,438.00	4,700,972.20
<b>Total</b>	<b>1,112,808.95</b>	<b>1,278,999.40</b>	<b>1,554,755.30</b>	<b>1,423,001.80</b>	<b>1,402,031.75</b>	<b>6,771,597.20</b>

### 7.1.1 Key Financial Assumptions for the Plan Period

The financial projections for the plan period consider the objectives in the Strategic Plan (2023–2028) and the need to be flexible in light of the dynamic environment. The following are the key assumptions:

- i. Market activities will improve in FY 2023/2024 and positively impact transaction levies.
- ii. The Government will continue to finance development projects through domestic borrowing.
- iii. The Commodities and Derivatives markets will start in earnest to create value and indeed earn levies to the Authority in the third year 2024/2025.
- iv. The Authority's organization structure will not be changed, and implementation of filling the positions will be gradual and in line with the needs while implementing the Strategic Plan.
- v. To a large extent, major capital expenditure with huge cash outlays (ICT, Buildings, and other equipment) will be funded through donor support.
- vi. Rent expenses shall be aligned to the lease with the Landlord.
- vii. New and existing product and service streams will earn revenue commensurate to their costs of supervision.

# RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

## 7.1.2 Resource Gaps

A Special Projects Implementation Team, led by the Authority’s projects department, shall be constituted to ensure successful coordination of implementation of the following projects identified with resource gaps:

**Table 30 : Flagship Projects**

S. No.	Description of Project	Year of Implementation	Estimated Cost ('000)
1.	Operationalization of the Capital Markets Authority Centre of Excellence	2025/26	300,000
2.	Establishment of the CMA/Financial Centre Plaza	2026/27 – 2027/28 Phase 1 of 2	2,000,000
3.	Upgrade and implementation of Information technology systems	Phased within the plan period	900,000
<b>Total</b>			<b>3,200,000</b>

## 7.2 Resource Mobilization Strategies

CMA shall establish strategic linkages with development partners to fund raise for some of the key projects to be undertaken during the period. During the plan period, resource mobilization strategy will be developed and implemented. Successful fundraising efforts will lead to increased financial resources, which can be used to support programs, initiatives, or expansion of operations.

## 7.3 Resource Management

The CMA exemplifies prudence and frugality in financial resource management, aligned with the Constitution of Kenya, 2010, and the PFMA Act. The Authority has established robust mechanisms to enhance the efficient and economical utilization of resources. By implementing the value chain execution framework, CMA has significantly bolstered the focused allocation of resources towards strategic imperative activities. Moreover, the Authority has proactively embraced BETA initiatives, underscoring its commitment to fostering inclusivity and sustainability.

A hand holding a marker pointing to a sticky note on a whiteboard, with a large number 8 overlaid on the left side.

# 8

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**MONITORING,  
EVALUATION  
& REPORTING  
FRAMEWORK**

# MONITORING, EVALUATION & REPORTING FRAMEWORK

This chapter provides a brief on how CMA will monitor, evaluate, and report on progress of strategy implementation. To attain the targets that CMA has set, it is essential that the various strategies are implemented as envisaged in the implementation matrix. Successful implementation of the plan requires sourcing and deploying the requisite resources and putting in place an adequate monitoring, evaluation, and reporting framework among others.

## 8.1 Monitoring Framework

The main technique for monitoring will be variance analysis whereby the Strategy Risks and Projects department will be comparing performance targets with the relevant actual results and picking out any variances identified. As a consequence of variance analysis and identification of causes, the management shall take appropriate remedial actions.

The following are ways in which the Plan will be successfully monitored.

- 1) Utilize the strategy implementation team – The strategy and performance team will be responsible for ensuring collating and critically reviewing the measurement and tracking of KPIs against KRIs across all departments, production of the M&E reports, ensuring discussions of these reports, and ensuring implementation of remedial actions.
- 2) Cascade the Plan – Detailed work plans will be developed across all departments with clear deliverables, roles, and responsibilities. Reports will be available online at any time for departmental review.
- 3) Utilize the Annual Capability Review (ACR) approach – The ACR approach will ensure that employee KPIs are defined in line with the strategy and thus ensure efficient implementation of the strategy.
- 4) Board and management review meetings – The Strategic Plan and its implementation is the responsibility of the Board of Directors. Therefore, progress reporting will be a quarterly Agenda item in Board Meetings. Before this, quarterly review meetings at the Management level and monthly reviews at the departmental level will be scheduled to receive and give feedback.

## 8.2 Performance Standards

The Authority will use its inhouse platform Projects Performance and Risk Management Information System (PPRMIS) to monitor performance as per below matrix:

**Table 31 : Key Performance Indicators for the Plan Period 2023 – 2028**

Key Performance Indicators for the Plan Period 2023 – 2028							
S/No.	KPI	Unit	2023/24	2024/25	2025/26	2026/27	2027/28
Customer perspective							
1.	Aggregate market capitalization	Kshs Trillion	5.8	6.0	6.2	6.3	6.6
2.	Mobile applications connected CMA, NSE & CDSC	Timeline	-	-	June 2026	-	-
3.	Cumulative growth in the number of application users	%	5%	10%	15%	20%	25%
4.	Successful exits from Sandbox	Number	Reviewed Process	1	1	1	1
5.	Issuances	Number	2	2	2	2	2
6.	Funds allocated to market development kitty	Kshs Million	2.5	2.5	2.5	2.5	2.5
7.	Increase in foreign portfolio flows	%	5%	7%	9%	11%	13%
8.	Increase in AUM for CISs	%	3%	6%	9%	12%	15%
9.	Number of counties with dedicated resource persons	No.	10	20	47	47	47
10.	Number of engagements with counties	No.	10	15	20	25	30

# MONITORING, EVALUATION & REPORTING FRAMEWORK

Key Performance Indicators for the Plan Period 2023 – 2028							
S/No.	KPI	Unit	2023/24	2024/25	2025/26	2026/27	2027/28
11.	Number of Huduma Centres providing Capital markets related services	No.	-	-	1	2	3
12.	Growth in number of new investors	%	3%	3%	3%	3%	3%
13.	County issuances	No.	0	1	2	2	2
14.	Curriculum integration/alignment	Timeline	-	June 2025	-	-	-
15.	Commission Capital Markets Training Centre	Timeline	-	-	June 2026	-	-
16.	Capacity building engagements with National Government and MDAs	No. per year	6	6	6	6	6
17.	Number of legal instruments reviewed	No.	2	2	2	2	2
18.	Customer feedback surveys	No.	0	1	0	0	1
19.	Shariah compliant issuances	No.	-	-	1	1	1
20.	Policies developed based on sandbox recommendations	No.	0	1	0	1	0
21.	Products operationalized resulting from research	No.	1	1	1	1	1
22.	Stakeholder engagements	No.	4	4	4	4	4
23.	Growth in number of certified professionals	%	5%	10%	25%	30%	35%
24.	Enhanced industry advocacy Caucus (CMFC)	Timeline	White Paper by June 2024	Implementation	Operational Caucus	-	-
25.	Re-engineered issuance processes	No.	3	3	3	3	3
26.	New issuances that support commodities markets, financing SME and infrastructure development	No.	5	5	5	5	5
27.	REITs issued	No.	-	2	2	2	2
28.	MSMES using crowdfunding platforms	No.	2	2	2	2	2
29.	Turnaround approval time for privatizations through the capital markets, Public and Private Offers applications	Days	14	14	14	14	14
30.	Number of listings	No.	-	5	5	5	5
31.	Increase in CIS customers	%	3%	6%	9%	12%	15%
32.	Issuances through technology – e-Ipos, Blockchain and crowdfunding	No.	2	3	3	3	4
33.	Total equity market turnover Growth	%	5%	7%	9%	11%	13%
34.	Total bond market turnover growth	%	5%	10%	15%	20%	25%
35.	Increase in Fixed Income Market Cap	%	5%	7%	9%	11%	11%
36.	Transactions settlement	Days	4	4	3	3	2
37.	Approved SROs	No.	-	-	1	-	2
38.	E-KYC Implementation	Timeline	Gap Analysis	Implementation	Implementation	Operational E-KYC	
39.	Increase in foreign portfolio flows	%	5%	7%	9%	11%	13%
40.	Increase in market liquidity ratio	%	5%	5%	5%	5%	5%
41.	Increase in funds aggregated through digital platforms	%	20%	20%	30%	40%	50%
42.	Currency derivatives and foreign-denominated issuances.	Framework		June 2026			

# MONITORING, EVALUATION & REPORTING FRAMEWORK

Key Performance Indicators for the Plan Period 2023 – 2028							
S/No.	KPI	Unit	2023/24	2024/25	2025/26	2026/27	2027/28
43.	Currency derivatives and foreign-denominated issuances.	No.	-	-	-	1	2
44.	Licensed commodities markets stakeholders	No.	12	12	15	17	20
45.	Kenya Multi-Commodities Exchange (KOMEX)	Approval timelines	-	Provisional approval	-	Full approval	
46.	Digital assets markets	Timeline	-	Policy Framework June 2025	-	-	-
47.	Diaspora products and services	No.	-	-	1	-	2
48.	Operational of carbon market	Timeline	Gap analysis	Development of Policy proposal	Implementation of Policy	Operational Carbon Market	
49.	Approval of green bonds	Turnaround time in days	10	10	10	10	10
50.	Climate based stakeholder workshops	No.	1	1	1	1	1
51.	Green finance instruments product uptake	No.	-	2	2	2	2
52.	Trustee accounts implemented	%	50%	100%	100%	100%	100%
53.	Time to complete investigations (months)	Months	5	5	5	5	5
54.	Updated Anti-Money Laundering and Combating Terrorism Financing Regulations	Timeline	-	Gap analysis	Development and submission of Regulatory amendments proposals		Reviewed Regulations
55.	Enforcement action processes	Working days	12	12	12	12	12
56.	Customer response rate	Days	30	30	30	30	30
57.	Upgraded surveillance, supervision, and investigation tools	Level of implementation	20%	20%	20%	20%	20%
58.	Customer protection engagement workshops	No.	3	3	3	3	3
59.	Revamped customer services portal (Website)	Level of Implementation	50%	50%	-	-	-
60.	Customer Satisfaction Index	%	78.4%	-	79.4%	-	80.4%
61.	Increase in investor education index per annum	%	2%	2%	2%	2%	2%
62.	No. of electronically facilitated issuances in the market per annum	No.	1	1	2	3	3
63.	Messaging framework	Level of implementation	Framework developed	Implementation	Implementation	Implementation	Implementation
64.	Impact assessment of Sandbox	Period	June 2024	-	-	June 2026	-
65.	Implementation of recommendations of Sandbox impact assessment	Level of implementation	-	50%	100%	-	50%
66.	Strategic initiatives progressed	No.	2	2	2	2	2
67.	Participation in international forums	No. of Forums	1	1	1	2	2
68.	Stakeholder engagement strategy	Level of implementation	70%	75%	80%	85%	90%
69.	Commodities Markets Stakeholder engagements	Workshops	4	4	4	4	4
Finance perspective							
70.	Total Revenue	Kshs Million	1,182	1,286	1,401	1,526	1,664
71.	Revenue generated from non-core sources	%	10%	10%	10%	10%	10%
72.	Amount of fundraising initiatives	Kshs Million	50	150	150	200	200
73.	Total operating costs/Revenue	%	98%	93%	85%	82%	79%
74.	Staff costs/Revenue	%	<55%	<55%	<55%	<55%	<55%

# MONITORING, EVALUATION & REPORTING FRAMEWORK

Key Performance Indicators for the Plan Period 2023 – 2028							
S/No.	KPI	Unit	2023/24	2024/25	2025/26	2026/27	2027/28
75.	Revenue allocated to market deepening fund	Kshs Million	2.5	2.5	2.5	2.5	2.5
76.	Liquidity ratio	Ratio	1:1	1:1	1:1	1:1	1:1
77.	Collection ratio	Ratio	90%	90%	90%	90%	90%
78.	Time taken to pay service providers	Working days	30	30	30	30	30
79.	Current ratio	Ratio	1.4:1	0.8:1	1:1	1:1	1:1
80.	Rate of Return on Investments	%	>91 day T-bill rate -2	>91 day T-bill rate -2	>91 day T-bill rate -2	>91 day T-bill rate -2	>91 day T-bill rate -2
81.	Automation of processes: Regtech and Suptech, AI and Machine learning.	Level	-	20%	20%	30%	30%
82.	Compliance with PFMA and other statutory obligations	Level	100%	100%	100%	100%	100%
Internal Business Processes perspective							
83.	Compliance of statutory requirements	Compliance Level	100%	100%	100%	100%	100%
84.	Compliance with Data Protection Act	Compliance Level	100%	100%	100%	100%	100%
85.	Reports litigation processes	Reports	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
86.	Legal opinions submission	Submission	100%	100%	100%	100%	100%
87.	Annual corporate work plan	Timeline	ACWP 2023/2024	ACWP 2023/2024	ACWP 2023/2024	ACWP 2023/2024	ACWP 2023/2024
88.	Monitoring & evaluation reports	No. of Reports	4	4	4	4	4
89.	Mid-term SP Review	Report	-	July	-	July	June
90.	ERM and BCP frameworks review	% of recommendations implemented	-	25%	50%	75%	100%
91.	Quality Management System (QMS) certification under ISO 9001	Period	-	December 2024	-	-	December 2027
92.	Corporate performance score	Score	85%	85.5%	86%	86.5%	87%
93.	Use of Regulatory Management systems (E-registration, Approval & Licensing – Regulatory Technology)	% Utilization	70%	75%	80%	85%	90%
94.	Financial Analysis & Issuer Governance (systems reporting)	% ICT Utilization	70%	75%	80%	85%	90%
95.	Use if ICT in investigation & enforcement (complaints management)	% Utilization	70%	75%	80%	85%	90%
96.	Customer Relation Management system (CRM) customer facing	% Utilization	70%	75%	80%	85%	90%
97.	CRM- enhance workflows and all data capturing	% Utilization	70%	75%	80%	85%	90%
98.	ERP integrated reporting	Period	June 2024				
99.	Case Management System	% Utilization	80%	85%	85%	90%	95%
100.	Use of ICT for service delivery (blockchain and crypto techs)	% uptime	90%	95%	95%	95%	95%
101.	Innovations created and utilized	No.	1	1	1	1	1
102.	Knowledge Management Systems	% utilization level	95%	95%	95%	95%	95%
103.	Upgrade core infrastructure / replacement obsolete systems (Data Center DR Centre, WAN, LAN, WiFi,)	% of uptime	98%	99%	99.9%	99.9%	99.9%
104.	Automate procurement processes	Level	70%	75%	80%	85%	90%



# MONITORING, EVALUATION & REPORTING FRAMEWORK

Key Performance Indicators for the Plan Period 2023 – 2028							
S/No.	KPI	Unit	2023/24	2024/25	2025/26	2026/27	2027/28
105.	Ensure Compliance with the Public Procurement and Asset Disposal Act	Level of compliance	100%	100%	100%	100%	100%
106.	Awards to AGPO	%	30%	30%	30%	30%	30%
107.	Green Procurement initiatives	No.	1	2	3	4	5
108.	Awards for Local Content of the total Annual Procurement Plan spend	%	40%	40%	40%	40%	40%
109.	Implementation of Occupation Safety Health Act (OSHA) Requirements	Level of compliance	100%	100%	100%	100%	100%
Organizational Capacity / Learning & Growth Perspective							
110.	Approved Manpower Plan	Timeline	-	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September
111.	Competency based assessments	No. of methods	2	2	2	2	2
112.	Approved TNA Plan	Timeline	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September
113.	Approved L&D Plan		30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September	30 <sup>th</sup> September
114.	Employee engagement index	%	75%	-	77%	-	79%
115.	Work environment index	%	75%	-	77%	-	79%
116.	Annual performance score	Score	Very Good	Very Good	Very Good	Very Good	Very Good
117.	Productivity index	Score	Good	Good	Very Good	Very Good	Very Good
118.	Quarterly recognition	No.	2	3	3	4	4
119.	Implementation of knowledge management	100% implementation	31 <sup>st</sup> March				
120.	Succession Policy Framework	% implementation	80%	80%	80%	80%	80%
Leadership and Governance Perspective							
121.	Board Score	%	100%	100%	100%	100%	100%
122.	Governance Audit Report	-	-	June 2025	-	-	June 2028
123.	Report of the Board Induction	Timeline	Within one month of appointment	Within one month of appointment	Within one month of appointment	Within one month of appointment	Within one month of appointment
124.	New Board members inducted	%	100%	100%	100%	100%	100%
125.	Self-evaluation Report	Timeline	July	July	July	July	July
126.	Evaluation score	Score	Satisfactory	satisfactory	satisfactory	satisfactory	satisfactory
127.	Approved Board Annual Training Plan	Timeline	July	July	July	July	July
128.	Board members trained	%	100%	100%	100%	100%	100%
129.	Approved ESG Policy	Timeline	June 2024	-	-	-	-
130.	Report on Board and staff awareness and capacity building sessions	Timeline	December 2023	December 2024	December 2025	December 2026	December 2027
131.	Reports on ESG practices	Timeline	-	-	June	June	June
132.	Compliance of internal control framework	%	100%	100%	100%	100%	100%
133.	Implementation of an audit data analytics software	% of utilization	75%	85%	90%	90%	95%

# MONITORING, EVALUATION & REPORTING FRAMEWORK

## 8.3 Evaluation Framework

The Authority's Evaluation Framework is summarized in the table below:

**Table 32: Evaluation Framework**

KRA 1: Customer Base						
Strategic Objective	Outcome	Outcome Indicator	Baseline		Target	
			Value	Year	Mid – term Period	End – term period
Increase customer base and democratize wealth	Increased uptake of capital markets products and services	% Growth in number of investors	3%	2023/2024	9%	15%
		Number of issuers	2	2023/2024	6	10
		% Growth in value of Assets Under Management (AUM)	3%	2023/2024	9%	15%
Increase annual market turnover	Increased market liquidity	Turnover ratio - equities	5%	2023/2024	9%	13%
		Turnover ratio - bonds	5%	2023/2024	15%	25%
Improve customer experience and brand visibility	Improved customer experience	Customer satisfaction index	78.4%	2023/2024	79.4%	80.4%
		Aggregate market capitalization (Kshs. Trillion)	5.8	2023/2024	6.2	6.6
	Improved strategic influence and advocacy	Level of implementation of MOUs	100%	2023/2024	100%	100%
KRA 2: Financial Sustainability						
Increase revenue	Increased revenue	Revenue in Kshs.000	1,181,692	2023/2024	1,400,613	1,663,730
Enhance resource mobilization	Successful implementation of strategic initiatives	Amount of externally mobilized funds in Kshs	50M	2023/2024	350M	750M
Improve cash flow management	Increased return on investments	Rate of return on investments	ROI above 91-day T-bill rate -2	2023/2024	ROI above 91-day T-bill rate -2	ROI above 91-day T-bill rate -2
Optimize Costs	Increased cost savings	% of cost savings per annum	10%	2023/2024	30%	50%
KRA 3: Performance, Productivity and Risk						
Improve Performance, Productivity and Risk Management	Improved organizational performance and productivity.	Performance Contract score	Very Good	2023/2024	Very Good	Very Good
		Productivity Score	Good	2023/2024	Very Good	Very Good
Increase Level of Automation	Increased organizational efficiency	% level of utilization	70%	2023/2024	80%	90%
		% level of automation	70%	2023/2024	80%	90%
Comply with all applicable policy, legal and regulatory requirements	Reduced risk exposure	% level of compliance	100%	2023/2024	100%	100%
Optimize supply chain operational efficiency	Enhanced supply chain efficiency	Turnaround time for delivery of requisitioned goods and services	82%	2023/2024	84%	86%
		Savings on intermediate inputs and activity cost	5%	2023/2024	15%	25%
KRA 4: Human Resource						
Enhance human resource capacity	Improved staff productivity, motivation, and retention.	Employee Engagement Index	75%	2023/2024	77%	79%
		Work environment index	75%	2023/2024	77%	79%
Improve succession management	Increased knowledge transfer.	% employees coached and mentored	80%	2023/2024	60%	40%
		Level of implementation of succession management policy	80%	2023/2024	80%	80%
Strengthen compliance with HR laws, regulations, and government directives	Reduced risk exposure	% level of compliance	100%	2023/2024	100%	100%
KRA 5: Environmental, Social and Governance						
Promote environmental, social and governance practices	Improved adoption of ESG principles.	Level of compliance with Mwongozo Code	100%	2023/2024	100%	100%
		Level of implementation of the CMA ESG policy.	-	2023/2024	100%	100%
Strengthen Internal Control systems	Enhanced accountability	Level of implementation of audit recommendations.	100%	2023/2024	100%	100%

# MONITORING, EVALUATION & REPORTING FRAMEWORK

The main techniques for evaluation of the Strategic Plan will entail:

- 1) A mid-term review of the Strategic Plan (2023-2028) will be undertaken in the financial year 2025/2026 to assess the extent to which planned results are on target and any areas that may require improvement.
- 2) A summative review of the implementation of the Strategic Plan (2023-2028) will be undertaken at the end of the planning period to assess the progress and achievement of the proposed outcomes and their impact.

## **8.4 Reporting Framework and Feedback Mechanisms**

The Authority will use its in-house platform Projects Performance and Risk Management Information System (PPRMIS) to carry out reporting and feedback.

The feedback will both be push and pull i.e., either sent by email or generating reports from the system. Any deviations will be clearly pointed out with escalations given to management and the Board as per set deviation levels.











**CAPITAL**  
MARKETS AUTHORITY

*Promoting the Integrity and Growth of the Capital Markets*

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