

COPORATE STRATEGIC PLAN 2014/15-2018/19



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ABBREVIATIONS AND ACRONYMS

BOT	Board of Trustee
BPO	Business Process Outsourcing
BSC	Balanced Score Card
CSR	Corporate social Responsibility
CTDLT	Catering and Tourism Development Levy Trustees
EAC	East Africa Community
ICT	Information, Communication and Technology
ISO	International Organization for Standardization
KAA	Kenya Airport Authority
KAHC	Kenya Association of Hoteliers and Caterers
KATA	Kenya Association of Travel Agencies
KATO	Kenya Association of Travel Organisation
KCAA	Kenya Civil Aviation Authority
KRA	Kenya Revenue Authority
KTB	Kenya Tourism Board
KTDC	Kenya Tourism Development Corporation
KTF	Kenya Tourism Federation
KUC	Kenya Utalii College
KWS	Kenya Wildlife Services
M& E	Monitoring and evaluation
MICE	Meeting Incentives Conference and Events
NACADA	National Alcohol and Drug Abuse Authority
NEMA	National Environment Management Authority
OPI	Organization Performance Indicator
PC	Performance Contract
PERAK	Pubs Entertainment & Restaurants Association of Kenya
PPP	Public-Private Partnerships
RNUC	Ronald Ngala Utalii College
SAGA	Semi Autonomous Government Agency
SWOT	Strength, Weakness, Opportunity and Threats
TA	Tourism Authority
TF	Tourism Fund

FOREWARD – CABINET SECRETARY'S STATEMENT

The Government developed the Tourism Act 2011 to provide a legal framework for effecting the desired changes in the tourism sector. The Tourism Fund is one of the key organizations created under this Act to drive effect the sustainability of the tourism and hospitality industry in Kenya.

The Fund, formerly the Catering & Tourism Development Levy Trustees (CTDLT), carries a big responsibility and high expectations from all stakeholders in the tourism sector.

As CTDLT, it achieved an exemplary record of success in the execution of its mandate and was known for a high degree of professionalism and efficiency as evidenced by increased levy collections as well the winning of many performance-related awards. We expect better and bigger.

Under Vision 2030, Kenya is envisioned as a top 10 long haul tourist destination offering a diverse, high-end and distinctive visitor experience. Moreover the Jubilee Coalition Manifesto emphasizes economic growth and identifies tourism industry among the six priority sectors with the potential of spurring the country's economic growth and development.

The Kenya National Tourism Strategy (2013-18) is designed to provide strategic interventions in the industry. Tourism Fund is an integral part in the success of this strategy and it is my expectation that the Fund will scale up its services to contribute to the delivery of the goals of the strategic objectives set for the entire industry.

It is in this regard that I welcome and applaud this five-year corporate strategic plan (2014-2018) that has been prepared to guide budgeting and implementation in the operations of the Fund. This strategic plan is expected to minimize resource wastage and build in more efficiency in the achievement of the Fund's vision.

I want to urge the Fund's management and all its employees to own the plan and earnestly implement it.

Hon Phyllis Kandie.
Cabinet Secretary
Ministry of East African Affairs Commerce and Tourism

CEO'S MESSAGE

Tourism Fund has taken a lot of strategic initiatives for a smooth transition from the functions of Catering and Tourism Development Levy Trustees to Tourism Fund. With the new mandate, we are putting in place structures to fully operationalize the new body through formulating our new vision, mission statement and core values as derived from the added mandates.

This Corporate Strategic Plan (2014 – 2019) aims at making Tourism Fund an institution that is responsive to the needs of its internal and external stakeholders while executing its regulatory mandate. The plan sets forth the route that will see TF not only achieve its mandate but also propel the industry as it is the ultimate source of funding for sustainable development of tourism industry in Kenya.

Tourism Fund shall contribute to sustainability of the tourism industry through financing the development of tourism products and services, financing the marketing of Kenya as a tourist destination and financing the activities of the Protection Service among others. The plan present effective approaches for developing strategies and policies for a more sustainable tourism, and the tools that would make the policies work on the ground.

This strategic plan will act as a guide for Tourism Fund to take targeted and measurable action toward its vision. Thus it is important that Tourism Fund performs and indeed exceeds its targets to support the Government's implementation of the 2nd phase of the National Vision 2030 Medium Term Plan (2013-2017).

To realize the vision and mission stated in this Corporate Strategic Plan, the organization's strengths, weaknesses, opportunities and threats were examined. On the basis of these factors, strategic and operational objectives were formulated and an action plan drawn to activate the implementation process. This Fourth Corporate Strategic Plan is a composite, systematic five year blue print for TF.

The achievement of these objectives calls for total team work, innovation, and accountability by all stakeholders in the tourism sector. A key factor worth acknowledging is the consistent dedication and commitment of our management team and staff.

ALLAN W. CHENANE
CHIEF EXECUTIVE OFFICER, TOURISM FUND

EXECUTIVE SUMMARY

Tourism Fund (TF) formerly Catering and Tourism Development levy Trustees (CTDLT) is a state corporation established under the Tourism Act 2011 which came into operation on 1st September, 2012. The Tourism Act 2011 has defined TF's new expanded mandate and which now awaits the enactment of the New Tourism Regulations by Parliament to facilitate its full implementation.

The objective of this Corporate Strategic Plan for the period 2014-2018 is to provide TF with a renewed and revitalized pathway that is aimed at consolidating its current gains, utilizing new innovative ways and breaking new grounds to build and expand its horizons in providing a solid direction for implementation of the Tourism Act 2011 objectives.

To ensure relevance and strategic positioning of TF, we undertook an intensive institutional review which incorporated a structured review of where TF has come from, external environment in which it operates through PESTLE analysis, internal environment analysis through SWOT analysis, and internal and external stakeholder's analysis. This helped identify key threats opportunities, weakness, strengths, expectations and gaps that needed to be taken into consideration during the formulation of the way forward. We used participatory approach to drive the entire strategic formulation process to ensure ownership and accountability at all levels.

To enable the TF to execute fully on its mandate and ensure sustainability of the Fund, it will pursue the following key strategic goals;

- Mobilize Resources to establish a sustainable tourism fund.
- Finance key tourism activities
- Develop new tourism products and Markets.
- Enhance Institutional Capability and Competence within TF.

This strategic plan outlines the strategies and activities that will oversee the implementation of the above goals outlined in an implementation matrix which highlights yearly targets against budgetary allocation.

Total financial requirements and sources in of funding have been projected as follows;

Year	2014/15	2015/16	2016/17	2017/18	2018/19
Financial Requirements (Million Kshs)	3,314.41	3,214.77	3,589.07	3,725.09	3,828.23
Projected total sources of Funding (Million Kshs)	3,359M	4,642.4M	5,965.36M	7,388.25M	9,519.455

To facilitate effective implementation, we have developed a comprehensive Monitoring and Evaluation tool with monthly reporting cycle. However, successful realization of this strategic plan is dependent on the following key assumptions;

- The Tourism Act 2011 will be fully operational by the start of 2014/15 financial year.
- The new tourism regulations will be enacted by the start of 2014/15 financial year.
- TF Board of Trustees (BOT) and management will be provide leadership, commitment and resources to drive the implementation.

Strong stakeholder engagement, Institutional corporate culture driven by innovation and creativity forms the bedrock of the plan.

This strategic plan is anchored on National Tourism Strategy, Kenya Vision 2030 and Jubilee Tourism strategy.

1.0 INTRODUCTION

1.1 Historical Background

Tourism Fund is a state corporate established under the Tourism Act;2011 which came into operation on 1st September, 2012 vide special issue Kenya Gazette Supplement No. 93 of 24th August, 2012. The Fund is the legal successor to Catering and Tourism Development Levy Trustees (CTDLT). Trustees had been in existence since 1972 and operated under the umbrella of the Hotels and Restaurants Act, Cap 494, Laws of Kenya which was repealed when the Tourism Act;2011 came into effect.

Catering Levy Trustees (CLT) was established in 1972 as a corporate body under section 18 of the Hotels and Restaurants Act (Cap. 494, Laws of Kenya). In 1997, through the Finance Act, the name of the Organization was changed to Catering and Tourism Development Levy Trustees (CTDLT), to accommodate additional mandates. CTDLT charged a 2 % levy on all gross sales in hotels and restaurants on account of food, drinks and all other services. The levy was used to finance training, marketing of Kenya as a preferred tourist destination and developing standards for testing the skills required by the tourism industry.

The mandates of CTDLT Board of Trustees were;

- a) Collect, control and administer the catering training & tourism development levy Fund.
- b) Establish, equip and control such establishments for the training of persons for employment in the hotels and restaurants as the Minister may approve.
- c) Establish and develop national standards for testing skills required by the tourism Industry.
- d) Make such payments out of the fund as may be necessary to enable the CTDLT market and promote Kenya as a tourist destination both locally and internationally.

However the need to develop and sustain a competitive tourism industry against local, regional and global challenges; the national reform agenda; and the urgency for a sustainable organizational growth, necessitated the transformation of CTDLT to the Tourism Fund through the enactment of Tourism Act 2011. The new Tourism Fund has an expanded mandate that includes diversification of its resource base from Levy Collection to facilitate financing of key tourism activities.

1.2. Overview of the Economy and Tourism Sector

Globally, the economic growth is experiencing a downward trend averaging 3.2 per cent in 2012 although there are indications of reversal in the trend. Financial crises, rising oil prices and political dynamics including terrorism have impacted significantly on economic performance. International visitor arrivals decreased by 6.1 per cent from 1.8 million in 2011 to 1.7 million in 2012 and standing at 1.1million in 2013and expected to rise above 3 million by 2017.

Most of the economies in the region have been expanding at average annual rates of 6 per cent in the recent past whereas that of Kenya grew by between 4-5 per cent annually. Strategically, it implies that focusing on the domestic and regional markets to leverage growth in the tourism sector has untapped potential. In fact Kenya through Vision 2030 has developed flagship projects of niche products and markets such as resort Cities as key programmes for anchoring the envisioned transformation in the country as a middle class economy and hub for East and Central Africa.

Tourism sector is a key contributor to the Gross Domestic product (GDP) and is a major source of foreign exchange earnings, in 2012 the sector earned the country Kshs. 96 billion compared to 98 billion in 2011.

1.3. Rationale for Strategic Planning (SP) at Tourism Fund

Strategic planning is an Organisational development Tool that produces fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it. It requires broad-scale information gathering, an exploration of alternatives, and an emphasis on the future implications of present decisions.

Strategic planning is the process of developing and analyzing the organization's vision, mission, overall goals, general strategies, and allocating resources. It charts out the course of action required to achieve long-term goals of the organization. Goals focus on desired changes that the organization is committed to achieve. They are the ends that the organization strives to attain. Thus, the strategic plan involves adapting the organization to take advantage of opportunities in its constantly changing environment.

The Government has documented Strategic planning as one of those organizational best practices capable of institutionalizing reform focused management for quality service delivery. Tourism Fund, a semi-autonomous government agency (SAGA), fully embraces this principle and hence this strategic plan that also seeks to consolidate and scale up achievements of the preceding one. Further, Strategic planning provides a mechanism for interfacing organizational plans, goals, Objectives and activities with the national ones including Kenya Vision 2030 and Tourism Master plan and strategy.

1.4. Objectives of the Strategic Plan

The new Strategic Plan will be expected to provide TF with a renewed and revitalized pathway that is aimed at consolidating its current gains, utilizing new innovative ways and breaking new grounds to build and expand its horizons in providing information and direction in the implementation of the Tourism Act, 2011 through;

- Providing a strategic direction and focus with regard to the new expanded mandate
- Positioning the organization strategically in relation to the dynamics of the environment
- Providing a rational framework for effective governance and management
- Charting a rational course for organizational growth and development

The new Strategic Plan will shape TF's strategic focus, administrative and financial and resource mobilization and utilization.

2.0 INSTITUTIONAL REVIEW

2.1 Introduction

Tourism Fund is a state corporate established under the Tourism Act, 2011 which came into operation on 1st September, 2012 vide special issue Kenya Gazette Supplement No. 93 of 24th August, 2012.

The Fund is the legal successor to Catering and Tourism Development Levy Trustees. The Trustee had been in existence since 1972 and operated under the umbrella of the Hotels and Restaurants Act, Cap 494, Laws of Kenya. The Act was repealed when the Tourism Act came into effect.

The Tourism Fund is managed by the Board of Trustees whose functions are defined as follows according to the Tourism Act 2011;

- a) Collecting the tourism levy imposed under section 105 of the Act or any other written law;
- b) Establishing, equipping and controlling such other tourism and hospitality training institutions as it may be necessary upon approval by the Minister;
- c) Formulating sound policies for the regulation and management of the Tourism Fund;
- d) Soliciting for funds and other assistance to promote the object for which the Tourism Fund is established;
- e) Determining the amounts of money payable for the purposes of the Fund and formulating the conditions for disbursement;
- f) Investing any surplus funds not immediately required in securities approved by the Treasury, for the purposes of realizing the objects and purpose for which the Fund is established;
- g) Establishing a tourism training revolving fund;
- h) Keeping and maintaining audited accounts of the Fund and publishing the accounts in the manner approved by the Treasury;
- i) Causing to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Fund;
- j) Receiving any gifts, donations, grants or endowments made to the Fund, and to make legitimate disbursements; and
- k) Performing any other functions that are ancillary to the objects and purpose for which the Fund is established.

2.2 Core Objectives of TF

The following are the core objectives of TF in accordance to the Tourism Act 2011;

- a) To finance the development of tourism products and services;
- b) To finance the marketing of Kenya as a tourist destination through the Tourism Board;

- c) To finance the activities of the Protection Service for the tourism industry;
- d) To finance the tourism research, tourism intelligence and the national tourism information management system;
- e) To finance the activities of the Tourism Sector Safety, Communication and Crisis Management Centre to be established and managed by the Ministry;
- f) To finance training and capacity development activities of the College and of such other tourism hospitality training institutions as may be established under this Act; and
- g) To mobilize resources to support tourism-related activities

From the new redefine objectives, the new Mandate, Vision, Mission and Core values of the TF are as follows;

2.3 TF's Mandate, Vision, Mission & Core Values

Mandate

To mobilize resources to finance the development of a sustainable tourism industry in Kenya.

Vision

To be the ultimate source of funding for sustainable development of tourism industry in Kenya

Mission

To diversify the resource base for financing development of a sustainable tourism industry through innovation, service excellence and stakeholders engagement.

Core Values

TF shall be guided by the following core values in all its operations (Acronym TICAPIE);

TEAM WORK;	To create one family focused to deliver
CUSTOMER FOCUS;	To meet and surpass expectations of all our customers
INTEGRITY;	To uphold good conduct and ethics in all our operations
ACCOUNTABILITY;	To be Transparent and socially responsible
PROFESSIONALISM;	Committed to excellence through continuous improvement
INNOVATION;	To promote and reward creativity and embrace best practices in service delivery
EQUITY;	To be committed to fairness in all our undertakings

2.4 TF's Current Structure

TF has a provision for a Board of Trustees that is currently not in place. The CEO is responsible for policy-making and oversight role. The day to day operations of the organization are guided by the CEO with the assistance of Nine (9) heads of departments namely; Levy Operations, Finance, Internal Audits, Legal Services, Human Capital & Administration, ICT, Procurement and Corporate Affairs.

TF has a total of 203 members of staff with 76 employees working in the head office and 130 working in the field (36 in Nairobi, 28 in Mombasa, 23 Kisumu, 20 Nyeri, and 23 in Nakuru).

The current staffing level is as tabulated below:

Position	Level	Establishment	Number In Post.	Variance
Board of Trustees	0	9	0	(9)
CEO	1	1	1	-
Management staff	2-3	10	10	-
Operational Staff	4-11	195	195	-
TOTAL		212	206	(9)

2.5 TF Current Performance Analysis

TF has embraced performance contracting as mandated by the government and has signed a performance contract for the period 1st July 2013 to 30th June 2014. Based on the 1st and 2nd quarter performance contract implementation status analysis 2013-2014, TF Financial performance based on set targets has been outstanding. The Levy Collection and penalties as at 31st Oct 2013 was at Kshs 493million, 89.4% of the budgeted amount of Kshs 551million; The funding of Kenya utalii college was at Kshs 270 million against a budget allocation of Kshs 400million. The funding of KTB was at Kshs 270 million against a budget of Kshs 300million.

To ensure access to efficient and quality public services, TF has its offices in Nairobi, Mombasa, Nyeri, Nakuru and Kisumu and has embraced ICT to enhance its efficiency. TF also is in the process of ISO 2008:9001 certification after transition from CTLDT. It has also embraced other best management practises besides Performance Contracting such as OPI benchmarking, and balance score card and ICT automation in its business processes. The level of ICT automation is currently at 65.2%. The fund key business processes are integrated using an ERP system which is upgraded regularly and information backed up offsite.

TF has key flagship Projects namely; the construction of the new office block along valley road whose completion is targeted at June 2014; Construction of Ronald Ngala Utalii College

To help in the rebranding of the entire organization, TF has contracted a PR agency firm to help develop a comprehensive branding strategy and branding manual with new logo.

3.0 SITUATION ANALYSIS

TF operates in an environment that is influenced by external and internal forces. The key forces are the Political, Ecological, Legal, Social, and Technological.

3.1 External Environmental Scan

In order to effectively conduct a situational analysis for TF we take in consideration a number of emerging issues that are likely to impact on TF operations;

Factor Analysed	ISSUE identified

Political Issues	<ul style="list-style-type: none"> - The new tourism regulations have not been gazetted to guide the implementation of the Tourism Act 2011. - Devolution has created 47 autonomous counties with different roadmaps on development and growth which requires alignment with the National Tourism Strategy. - Existence of multiple legislative levels i.e. county assemblies, national assembly and the senate require extensive lobbying and political goodwill for the implementation of Tourism Fund strategies. - Political instability in the region undermines security in Kenya through proliferation of small arms, piracy, terrorism and refugees influx making Kenya unattractive tourism destination. - Foreign government policies such as Travel, Investment, collaboration Advisories impact heavily on Kenya tourism industry. - Political re-alignment and priority shifts by the incumbent government continue to shape or influence the Foreign Direct investments and attractiveness of Kenyan tourism industry. - Government reforms initiatives such as Task Force on Parastatal Reforms, and Tourism Recovery Strategy committee amongst others might affect implementation of Tourism Fund programs.
Ecological Issues	<ul style="list-style-type: none"> - Global warming and unreliable weather patterns significantly affect Kenyan Tourism industry which is highly dependent on traditional products such as wildlife and natural sceneries. - Human-wildlife conflict is a predominant factor undermining conservation efforts in areas endowed with natural resources. - Inadequate research and investments to unlock potential tourism bio-diversity products - Deforestation, pollution and human activities significantly affect natural ecosystems adversely.

Social Issues	<ul style="list-style-type: none"> - High unemployment levels and general poverty has contributed to high insecurity and undermine bio-diversity conservation efforts which has greatly affected tourism through vices such as poaching, illegal logging and charcoal burning, forest encroachment etc. - Fast growing middle income class with diverse lifestyle, tastes and preferences demand creativity and innovation for new tourism products. - Kenya is biased towards attracting English speaking countries thus locking out majority of non-English speaking countries hence the need to eradicate all communication/social barriers in order to capture these markets. - Rural-Urban migration and Low levels of competency amongst communities surrounding tourist attractions impedes full exploitation of available opportunities and potentials for tourism growth and development. - Kenyan populace Hospitality and Cultural diversity though impressive, has not been fully harnessed into viable unique tourism products such as homestays etc. - Aping the western culture and adoption of other foreign practices and values has eroded Kenyan indigenous cultures adversely affecting cultural tourism products.
Technological Issues	<ul style="list-style-type: none"> - Ability to match constantly changing technology, high cost of ICT infrastructure acquisition and availability of adequate skilled personnel are key challenges in tourism industry. - Adoption of emerging ICT innovations on business processes exposes the industry to ICT threats and security concerns such as Cyber- crime. - There exists inadequate regulatory and legislative framework to control, monitor and counter ICT related threats.

Legal Issues	<ul style="list-style-type: none"> - Devolution has created multi-tier legislative levels with overlapping and conflicting vested interests causing anxiety in the industry. - Weak enforcement mechanism for compliance on tourism legislations undermines the execution and realization of Tourism Fund full mandate. - Government bureaucracy, corruption, lack of clear legislative framework on protection of intellectual/industrial property rights in addition to weak dispute resolutions in the country impedes potential investments within the tourism sector. - The recommendations of the Task Force on Parastatal Reforms if fully implemented will affect Tourism Fund in regard to recipient of funds (e.g if KTB moved etc) - Delayed gazettelement of the new Tourism regulations and Stringent law on appointment of Boards of key agencies significantly affects the performance of the industry .
Economic Issues	<ul style="list-style-type: none"> - Competing government priorities between recurrent and development expenditure has significantly affected investment in infrastructure which is vital to a vibrant tourism industry - High cost of capital, inflation rates, levels of taxation, cost of energy and weak local currency impacts heavily on growth and development of tourism industry. - Lack of adequate capacity to develop adequate, competent and skilled personnel to support the tourism industry - Global and regional economic performance and trends impacts directly on the performance of Kenyan tourism industry. - Prevalent insecurity has contributed to high cost of doing business in Kenya hence inhibiting growth of tourism industry.

3.1.1 Analysis of External environment to establish strengths and weaknesses

The analysis of TF’s Political, Economic, Social, Technological, Legal and physical Environmental (PESTLE) factors was undertaken to determine and review the major parameters that will impact on TF’s performance and draw emergent strategies for optimising the realisation of TF’s objectives over the envisaged plan period. Resulting from the analysis strength and weaknesses were identified as outlined below:

Strengths

Factor Analysed	Strengths Identified
Political Issues	<ul style="list-style-type: none"> - Decentralization of opportunities to county level - Increase investment opportunities at county levels
Ecological Issues	<ul style="list-style-type: none"> - Un-tapped eco-tourism - Opportunities for new products - Opportunities for more wildlife tourism e.g. ranches, conservatories etc.
Social	<ul style="list-style-type: none"> - Untapped cultural diversity - Growing middle class - Hospitable population - Diversified products offering opportunities to capture non –English speaking markets. - Promotion of local tourism at lower rates - Development of new products such as Miss Tourism galas, Homestays - CSR opportunities
Technological Issues	<ul style="list-style-type: none"> - Competitive edge advantage - Access to information - New products (dynamism)
Legal Issues	<ul style="list-style-type: none"> - EAC, national strategies, counties strategies supplementing each others - Multi- stakeholders approach - An Act of parliament that finally caters specifically for corporations under the Department of Tourism
Economic	<ul style="list-style-type: none"> - Liberalized market - - Better quality of services and products - Easily accessible investment funds

Weaknesses

Factor Analysed	Weakness Identified
Political Issues	<ul style="list-style-type: none"> - Multiple legislation levels - accountability gaps & loopholes - over stretched TF lobbying capacity
Ecological Issues	<ul style="list-style-type: none"> - High cost of conservation - Weak enforcement mechanism for compliance
Social Issues	<ul style="list-style-type: none"> - Diminishing cultural practices - High poverty levels - Low literacy levels - Communication barriers
Technological Issues	<ul style="list-style-type: none"> - High cost of infrastructure due to technological dynamism - Lack of adequate, affordable and qualified personnel
Legal Issues	<ul style="list-style-type: none"> - High bureaucracy unattractive to investors - Weak Enforcement mechanism;
Economic issues	<ul style="list-style-type: none"> - Overdependence on traditional tourism products e.g. wildlife - Inhibits innovation and creation of new products - Uncompetitive products and services - County government lobby for control of tourism levy

These weaknesses, and other issues which may be identified, need to be addressed so that TF can achieve its goals.

3.1.2 Analysis of external environment to identify opportunities and threats

The analysis of TF's Political, Economic, Social, Technological, Legal and physical Environmental (PESTLE) factors was undertaken to determine and review the major parameters that will impact on TF's performance and draw emergent strategies for optimising the realisation of TF's objectives over the envisaged plan period. Resulting from the analysis opportunities and threats were identified as outlined below:

Opportunities

Factor analysed	Opportunity identified
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Political factors	<ul style="list-style-type: none"> - Work closely with Tourism Authority (TA) and ministry of Devolution & county governments to have TF agenda featuring in various legislative forums - Increased representation at county level - Create a legal/operation framework to engage, county, national and regional policy making institutions.
Economic factors	<ul style="list-style-type: none"> - New markets /destinations and products - Increased consumption of tourism products and opportunity for growth of the industry - Employment creation
Social factors	<ul style="list-style-type: none"> - Opportunities for new products e.g. billionaire clubs, non-English speaking markets, exclusive events, water tourism, sport tourism e.t.c - Untapped middle class - Reduced conflicts over resources levels - Improved standards of living and quality of hospitality.
Technological factors	<ul style="list-style-type: none"> - Opportunity of new and niche products - Wider market penetration - Reduction on operational cost through adoption of ICT e.g. BPO, M. banking e.t.c
Legal factors	<ul style="list-style-type: none"> - Opportunities for strong corporate governance - High compliance, appropriate disputes and conflicts resolution - Increased investor confidence
Ecological factors	<ul style="list-style-type: none"> - Opportunity for new products - Untapped bio-diversity - Sustainable industry

Threats

Factor analysed	Threats identified
Political Factors	<ul style="list-style-type: none"> - High levels of non- compliance in levy collection - Lack of political good will due to multiple vested and conflicting interests.. - Change of government policies.

Economic Factors	<ul style="list-style-type: none"> - Low investments due to poor economic performance - Increased competition for same opportunities - High inflation rates and cost of capital - High rates of unemployment - Diminishing disposable income - High Levels of Taxation - Under developed and inadequate infrastructure
Social Factors	<ul style="list-style-type: none"> - Insecurity and terrorism - Thriving “sin” industry(poaching, child trafficking ,drugs trafficking, prostitution and pornography - Lack of awareness on how to render homestays as a product - Human wildlife conflict a threat to cultural tourism.
Technological factors	<ul style="list-style-type: none"> - Obsolescence of current technology - Cyber Crimes - Weak legal framework to address ICT crimes
Legal factors	<ul style="list-style-type: none"> - Low attraction of foreign investments - Low compliance with tourism Act 2011 - Counterfeiting of products
Ecological factors	<ul style="list-style-type: none"> - Ecological degradation and resources depletion can be a treat to cultural tourism - Encroachment into water catchment areas. - Deforestation - Blocking of wildlife migration routes - High human-wildlife conflict hindering conservation efforts

3.1.3 Analysis of Internal environment to identify opportunities and threats

The analysis of TF’s Internal environment was undertaken to determine and review the major parameters that impact on TF’s performance and draw emergent strategies for optimising the realisation of TF’s objectives over the envisaged plan period. Resulting from the analysis Strengths, Weaknesses, opportunities and

threats were identified as outlined below;

3.2 Internal Environment Analysis; SWOT Analysis

	Strengths	Weaknesses	Opportunities	Threats
Financial	The Tourism Act 2011 has given TF an Expanded mandate for resource mobilization and disbursement, however the ability of the Tourism Fund to sustain its operations and development is threatened by the current over-reliance on Levy Collection as key source of funds		The Tourism Act 2011, vision 2030, devolution , national tourism strategy; offers new opportunities for growth of TF through products diversification and penetration of new markets	Delayed gazzetement of the tourism regulations and inadequate resource mobilization to fund TF operations and expanded mandate.
Processes	TF has well established ICT-infrastructure and has embraced an elaborate Management tools; ISO;9001:2008, PC,OPI, BSC.		Through embracing ICT advancement opportunities.	High cost of ICT occasioned by infrastructure acquisition and technological dynamism.
Customer	TF has a vibrant strong Stakeholder engagement however currently there is poor engagement with devolved county governments due to lack of operational framework.		The TF has a greater opportunity for institutional linkages through ICT. Stakeholder engagement, partnerships networking, and collaborations amongst others for higher competitive advantage.	Interferences from conflicting / competing priorities from other institutions.
Learning & Growth	TF has Competent workforce.		The Tourism Act also offers a great opportunity for TF to revitalize its strategic thrust and position for relevance within the industry through institutional capacity building. TF has an opportunity to develop strong corporate culture, competencies and capabilities to deliver on the new mandate.	Lack of adequate staff to undertake the new mandate.

3.3 Stakeholder Analysis

Being conscious of the concerns and interests of TF's internal and external stakeholders, this plan will facilitate development of harmonious relations with them and thus provide a favourable environment for optimal operations. TF will take these concerns and interests in its decision making processes and address them to the extent

possible.

The Board of Trustees, Management and staff are considered as internal stakeholders, whereas the external stakeholders include those elements or groups that directly affect TF's operations or are affected by it. These include development partners, government ministries and departments, Hospitality Training Providers, local communities, suppliers, competitors, customers, creditors, special interest groups and trade associations.

The table below highlights various expectations and interest of different stakeholders from the Tourism Fund alongside the existing gaps;

<i>Who</i>	<i>Expectations from TF</i>	<i>Gaps within TF</i>
<i>INTERNAL STAKEHOLDERS</i>		
<i>BOT</i>	<ul style="list-style-type: none"> - <i>Implementation of Tourism Act 2011 and Enactment of Tourism Regulations.</i> - <i>Timely and appropriate facilitation of BOT</i> 	<ul style="list-style-type: none"> - <i>Un-constituted BOT awaiting passing of Miscellaneous Amendment Bill by parliament</i> - <i>Pending Enactment of tourism act regulations</i>
<i>Management and Staff</i>	<ul style="list-style-type: none"> - <i>Sustainable fund/resource base to meet its operational needs.</i> - <i>Perpetual Growth opportunities</i> - <i>Job satisfaction and Good Working environment</i> 	<ul style="list-style-type: none"> - <i>High anxiety over reforms in state corporations, vetting to match placement , and staff reorganization</i> - <i>Pending Enactment of tourism regulations.</i> - <i>Linkage mechanism to the National Tourism strategy</i>
<i>EXTERNAL STAKEHOLDERS</i>		
<i>Kenya Tourism Board</i>	<ul style="list-style-type: none"> - <i>Timely disbursement of funds</i> - <i>Budget allocation projections from TF to aid in decision making on planned marketing activities.</i> - <i>To enlighten levy payers on the activities of KTB</i> - <i>Liaison with TF in development and promotion of new products and services.</i> 	<ul style="list-style-type: none"> - <i>Inadequate and timely information flow between KTB and TF</i> - <i>Monitoring use and impact of monies allocated to KTB by TF</i> - <i>Liaison or collaborative mechanism to engage KTB</i>

Kenya Utalii College	<ul style="list-style-type: none"> - Facilitation and Timely disbursement of funds - Collaboration and Synergy from TF on KUC programs and activities. - Liason with TF on sensitization and capacity building of tourism industry workforce and stakeholders. 	<ul style="list-style-type: none"> - Monitoring use and impact of money allocated to KUC by TF - Increase the scope of TF customer satisfaction survey to capture underutilized synergies and collaborations.
Department of tourism	<ul style="list-style-type: none"> - Operational support to develop Tourism Sector. - Liaison and Sharing of information with TF to facilitate policy formulation, implementation and decision making. - Collaboration and Synergy from TF on various activities and initiatives being pursued by the ministry. - Proper and full execution of TF mandates and adherence to mandated reporting, performance management systems and public expectations. 	<ul style="list-style-type: none"> - Lack of Board of Trustees - Lack of policies in handling directives and change in government policies - Operational gaps eg levy collection , customer/ employee satisfaction,
KICC	<ul style="list-style-type: none"> - Collaborate on tourism product development in MICE 	<ul style="list-style-type: none"> - Lack of synergy & collaboration mechanism for new opportunities and products.
Tourism Finance Corporation (Formerly KTDC)	<ul style="list-style-type: none"> - Expansion of the resource base - Enlighten entrepreneurs in the industry on financing opportunities - Synergy from TF on New products and Services 	<ul style="list-style-type: none"> - Collaboration in vetting (the levy compliance levels) of potential beneficiaries of the fund. - Sharing information and collaborate in identifying new levy payers.

<i>National Police Service</i>	<ul style="list-style-type: none"> - <i>Timely and adequate Funding of the Tourist protection police activities and facilities..</i> - <i>Facilitate training and capacity building on new skills such as response to incidents ,language PR</i> - <i>Sharing of information on new products, trends and other critical issues to facilitate planning protection activities.</i> 	<ul style="list-style-type: none"> - <i>Lack of operation and linkage framework mechanism between TF and the Police Unit</i> - <i>Monitoring use and impact of money allocated to NPS by TF</i> - <i>National and County needs assessment of the scope and deployment of protection service.</i>
<i>KWS</i>	<ul style="list-style-type: none"> - <i>Collaboration and sharing of information on development of new products within their facilities</i> - <i>Support marketing of tourism activities within their facilities through KTB</i> 	<ul style="list-style-type: none"> - <i>Lack of collaboration mechanism for information sharing and marketing support,</i>
<i>County governments</i>	<ul style="list-style-type: none"> - <i>Financing of county tourism activities by TF.</i> - <i>development of new products/services in the counties</i> - <i>Marketing of county tourism products through KTB,</i> - <i>Liaison with county offices responsible for tourism at county level on county tourism strategies</i> - <i>Have a stake in training revolving fund</i> - <i>Priority list of infrastructure to develop county tourism</i> 	<ul style="list-style-type: none"> - <i>Research capability on new products</i> - <i>Legal and policy framework to collaborate and work with the counties.</i> - <i>Institutional and Operational framework on revolving fund at county level</i> - <i>Inadequate capacity to finance all counties strategies on tourism</i>

Government Agencies(KRA, Ministry Of Commerce, Tourism and East African Affairs, NACADA, Immigration, Ministry of Finance)	<ul style="list-style-type: none"> - Compliance with the regulations and legislations - Information sharing and gathering. - Sustainability of TF through proper and full execution of its mandate - Diversification and expansion tourism products for sustainability - Effective service delivery and all inclusive stakeholder engagement. 	<ul style="list-style-type: none"> - Lack of effective and efficient Coordination mechanism to share information and tap into synergies of other relevant institutions. - Lack of Diversification of resource mobilization
KAHC and PERAK	<ul style="list-style-type: none"> - Funding of training and capacity building of its members through KUC. - Sensitization and awareness creation for its members on Levy Payment - Accountability and transparency - Funding marketing activity through KTB - Identification of opportunities for new products and services. 	<ul style="list-style-type: none"> - Lack of training needs /impact assessment mechanism of the trainings initiatives - Lack of adequate Forums to discuss issues and effective follow-up on recommendations affecting their members - Inadequate CSR activities. - Lack of proper enforcement mechanism and effective surveillance on levy collection
Casinos, Real Estate Managers(Homestays) Outside caterers, Event Organizers	<ul style="list-style-type: none"> - Sensitization and awareness creation on Levy Payment - Marketing of their activities through KTB. 	<ul style="list-style-type: none"> - Lack of operational and policy framework for levy collection. - Lack of stakeholders engagement
KATO,KATA, Airlines, KAA,KCAA	<ul style="list-style-type: none"> - Funding their marketing activities through KTB - Funding of security through Tourism Protection service - Funding of training and capacity building activities through KUC to ensure qualified professionals. 	<ul style="list-style-type: none"> - Lack of operation and policy framework for levy collection. - Lack of stakeholders engagement. - Lack of diversification and market penetration to capture levy from catering services offered aboard the aircrafts

Media	<ul style="list-style-type: none"> - <i>Sharing and access to relevant information.</i> - <i>Facilitation to provides publicity and dissemination of information of TF</i> 	<ul style="list-style-type: none"> - <i>Corporate Branding and Robust corporate communication strategy</i>
Civil Society, NGOs and Religious Organizations, schools, Local Communities	<ul style="list-style-type: none"> - <i>funding of CSR activities</i> - <i>Funding marketing of Kenya as a tourist destination through KTB</i> - <i>Sensitization and awareness creation on tourism activities</i> - <i>Robust stakeholders engagement</i> 	<ul style="list-style-type: none"> - <i>Lack of adequate and appropriate stakeholders engagement framework</i> - <i>Lack of adequate financial capacity to broaden CSR activities and undertake general public sensitization programs</i>
Donors/investors	<ul style="list-style-type: none"> - <i>Transparency and accountability in fund management</i> - <i>Funding of viable and sustainable new products/ service and projects/concepts.</i> - <i>Protection of donor/investor interests</i> - <i>Adequate, timely and quality information on potential and on-going investments/ partnership opportunities.</i> - <i>Continuous Engagement and consultation for effective decision making</i> 	<ul style="list-style-type: none"> - <i>Lack of profiles of key donors against potential investment opportunities in counties</i> - <i>Lack of capacity to engagement donors and generate viable investment concepts</i> - <i>Lack of clear product packaging to tap on investment</i> - <i>Absence of development plans</i> - <i>Lack of clear policies on incentives for development and or tax holidays. (Sensitization on operation mechanism)</i>
East African Community	<ul style="list-style-type: none"> - <i>Funding marketing of EAC as a block through KTB</i> - <i>Synergy to facilitate intra-regional tourism activities.</i> - <i>Funding the development of new products and services in Kenya</i> - <i>Sharing and gathering of information on tourism sector</i> 	<ul style="list-style-type: none"> - <i>Lack of policy and operation framework to guide operations</i>

Financial Institutions (Banks, HELB, Foreign Exchange Bureaus)	- <i>Competition for opportunities to fund training, capacity building, investment opportunities in tourism and hospitality industry</i>	- <i>Policy framework to guide operations of the revolving fund.</i> - <i>Inadequate Risk management and investment policy</i>
Others (Suppliers, Creditors, partners)	- <i>Reliable and efficient provision of services</i>	- <i>Regular review of TF service charter and conduct customer needs assessments.</i>
National Museums of Kenya & Bomas of Kenya	- <i>Marketing of their facilities through KTB</i>	- <i>Lack of policy and operation framework to guide operations</i>
National Environment Management Authority (NEMA)	- <i>Sensitization of conservation of environment to stakeholders and compliance with NEMA regulations.</i>	- <i>Lack of policy and operation framework to guide operations</i>

3.4 Key Success Factors

TF's ability to achieving its Plan objectives and realize its vision will depend on the following key areas:

- Ø Adequate funding / resources mobilization
- Ø Enactment of new tourism regulations
- Ø Effective Engagement of stakeholders
- Ø Strong corporate culture and operational efficiency and effectiveness
- Ø Adequate internal competences /staff competence
- Ø High level of innovation and creativity
- Ø Buy in from leadership (BOT)

4.0 STRATEGIC ISSUES AND CHALLENGES.

STRATEGIC ISSUES

To realize its expanded mandate TF will focus on the following strategic issue;

- Ø Resources mobilization for sustainability
- Ø Effective and Reliable Disbursement capability
- Ø New Product development and diversification
- Ø Building of Institutional Capability and competence.

Possible TF interventions

- i) Resources mobilization
 - Diversify levy collection
 - Establish and operationalize resource mobilization unit
 - Establish a training revolving fund
- ii) Disbursement capability
 - Establish a framework mechanism
 - Establish an effective and implement monitoring and impact evaluation mechanism
- iii) Product development
 - Establish and operationalize business development unit
- iv) Building Institutional Capability and competence
 - Adequate Resourcing, capacity building and staffing
 - Embrace good governance
 - lobbying for enabling and facilitative legislations
 - raising the profile of TF
 - Creating institutional linkages with key stakeholders

Challenges;

Despite the many opportunities created from the expanded mandate TF faces numerous challenges in its operations that includes but not limited to;

- Changing government policies
- Inadequate Funding
- Enforcement of levy collection
- Enactment of tourism regulations
- Lack of BOT

5.0 STRATEGIC DIRECTION

5.1. Strategic Thrust

Inspired by TF's vision and mission, driven by prioritization and the necessity to balance strategic and practical needs of our stakeholders, informed by the expanded mandate, situational analysis, and basing the approaches on our core values , the Board of Trustees and Fund's strategic focus will be to ;

- Mobilize Resources to establish a sustainable fund.
- Finance key tourism activities
- Develop new products and markets.

- Enhance Institutional Capability and Competence

5.2 Strategic Goals, Objectives and Activities

The following are the strategic goals, objectives and activities that will guide TF to realize its vision;

Goal 1: **Mobilize Resources to sustain the Fund**

Objectives	Strategies	Activities
To establish a sustainable and reliable fund	– Establish an operational framework for a sustainable revenue base	<ul style="list-style-type: none"> – Develop and Implement resource mobilization framework – Increase Levy Collection from Kshs2.262B to 6.2billion by 2018 – Enhance Enforcement & Compliance
	– Establish a Sustainable revolving /endowment fund	<ul style="list-style-type: none"> – Establish Risk Management Mechanism – Generate proposal/concept papers – Lobbying for grants and donors – Partnership with donors/govt /PPP
	– Diversification of revenue base	<ul style="list-style-type: none"> – Leasing office space/wall branding / hosting signal boosters – Acquisition/construction of a car park – Investment of surplus funds

Goal 2: **Develop New products and Markets**

Objectives	Strategies	Activities

Promote innovation and creativity for development of new products and services	Create a sustainable financial base for development of new tourism products and markets	<ul style="list-style-type: none"> – Set out a framework for new tourism products and market development – Periodic research and review of new products – Profile, prioritize and package new tourism products and markets opportunities – Market new product development and opportunities – Benchmark tourism products, management and market development processes. – Monitoring and evaluation
	Develop partnership for funding product development	<ul style="list-style-type: none"> – Undertake baseline or inventory of new product opportunities – Create awareness of new products development opportunities – Profiling of potential development partners
	Align new tourism products development initiatives to benefit from National Investment Agencies programs	<ul style="list-style-type: none"> – Collaborate with relevant national agencies and county governments on tourism product and markets development

Goal 3: To finance Key Tourism Activities

Objectives	Strategies	Activities
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Disburse funds to finance various tourism activities	Finance Marketing Activities of KTB	<ul style="list-style-type: none"> - Develop/Review Appropriate Disbursement policies - Grow funding portfolio ; - (Local Market-10%, Regional Market-30%, International Traditional Markets, Europe and USA -20%, International Emerging Market, Asia and Latin America -40%) - Establish Disbursed resource Monitoring and Evaluation mechanism - Establish stakeholders engagement forum
	Finance Training & Capacity Building of tourism workforce	<ul style="list-style-type: none"> - Grow the funding of KUC by 5% annually - Fund the construction of Ronald Ngara Utalii College - Collaborate with relevant institutions to facilitate curriculum enrichment
	Finance Protection Services	<ul style="list-style-type: none"> - Establish institutional and operationalize legal framework for funding protection services - Implement and operationalize funding framework (Funding Portfolio; - -Capacity Building – 30% - -Communication – 70%) - Establish Disbursed resource Monitoring and Evaluation mechanism
	Finance Research and Tourism Intelligence, and Tourism information Management System	<ul style="list-style-type: none"> - Establish and operationalize legal framework for funding - Implement and operationalize funding framework - Establish Disbursed resource Monitoring and Evaluation mechanism
	Finance activities of Tourism Safety, Communication and Establishment of Crisis management centre	<ul style="list-style-type: none"> - Establish and operationalize legal framework for funding - Implement and operationalize funding framework - Establish Disbursed resource Monitoring and Evaluation mechanism
	Finance Development of other Tourism activities	<ul style="list-style-type: none"> - Identify and profile Tourism activities to be funded - Establish and operationalize legal framework for funding - Establish Disbursed resource Monitoring and Evaluation mechanism

Goal 4: Build Institution Capability and enhance Competence

Objectives	Strategies	Activities
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Build Institutional capacity	Attract, Recruit and retain Adequate competent staff	<ul style="list-style-type: none"> - Policy - Carry out a Needs assessment - Review organization wide job evaluation - Recruitment and staff separation - Undertake Continuous Staff Training - Develop and implement Reward systems
	Enhance staff welfare	<ul style="list-style-type: none"> - Sensitize staff on welfare programs - Undertake organization wide staff events
	Improve efficiency in service delivery	<ul style="list-style-type: none"> - Incorporate OSHA standards in the organization - Continuously enhance Staff wellness and satisfaction with work place - Continuously enhance customer relations
	Enhancing good corporate governance	<ul style="list-style-type: none"> - Service charter - Statutory and regulations/ Compliance - Develop and Implement Risk audit and management System - Work Ethics and Integrity Programs
	Improve Corporate Culture	<ul style="list-style-type: none"> - Conduct Corporate culture enhancement programs
	Enhance performance management systems	<ul style="list-style-type: none"> - Develop a comprehensive performance management system - Implementation of continuous improvement performance /Knowledge management systems, ISO,PC, OPI, Knowledge Management and BSC
Raise the TF profile and corporate image	Improve corporate image, brand and communication	<ul style="list-style-type: none"> - Develop and implement brand identity manual - Engage stakeholders - General public awareness campaigns - Conduct Levy payers campaign - Development Promotional Materials - Improve investor relations
	Enhance effective and efficient internal and external communication	<ul style="list-style-type: none"> - Develop and implement a corporate communication strategy - Develop and implement marketing strategy - Appoint and engage a PR Agency
	Enhance corporate citizenship	<ul style="list-style-type: none"> - Develop and implement a CSR policy

Re-engineering business processes through technology transfer and Knowledge management	Improve/optimize work efficiency and information systems through ICT	<ul style="list-style-type: none"> - Develop an ICT policy - Continuous upgrades of ICT infrastructure - Set up a conference Centre - Set up a data centre - Seamless data Integration/automation - Establish a Business Continuity & Disaster preparedness centre - Carry out ICT audits
	Enhance security through ICT	<ul style="list-style-type: none"> - Installation of CCTV in the TF towers - Install Access control at the TF Towers - Enhance Data Security and integrity
Develop an innovative and creative environment for value addition and competitiveness	Establish a functional research, innovation and creativity framework	<ul style="list-style-type: none"> - Develop a research ,innovation , Knowledge management and creativity framework policy - Operationalize & Implement the framework - Establish Business Sustainability 50yr plan

6.0 ORGANISATIONAL STRUCTURE TO DELIVER THE PLAN

6.1. Structural Review

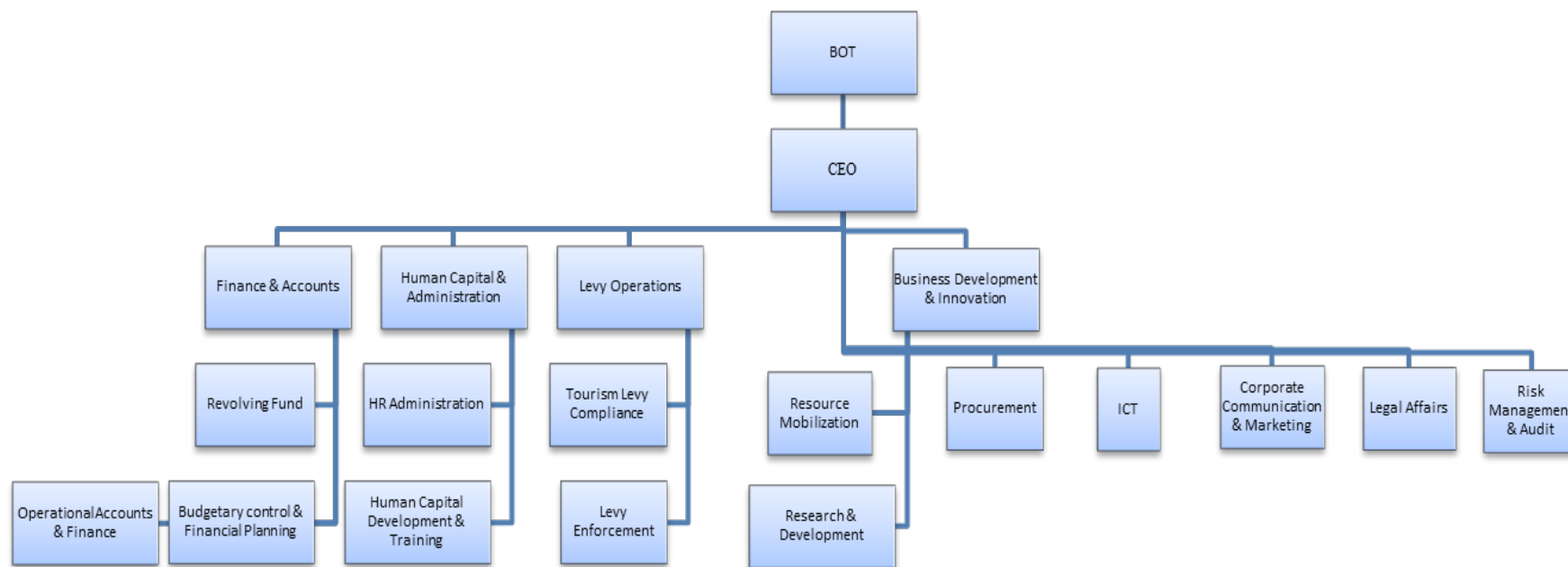
Effective human resource management is one of the key facets that are critical for the realization of any organisation’s mission, vision and key goals. The ability of the TF to develop the necessary human resources capacity to address its past weaknesses as well as its threats and to meet the growing demands for its services in the face of rapid technological changes and declining standards of living will be greatly dependent on a sound organisation structure.

6.2. Proposed Structure

It is therefore proposed that TF develops and adopts an organisational structure which has the following features:

- i) Rationalised spans of control
- ii) Clear support for CEO on administrative responsibilities for institutional development.

Below is the proposed organogram upto level 3 to deliver this strategic plan.



7.0 FUNDING NEEDS AND MOBILISATION

7.1. Financial Requirements 20014/15 – 2018/19

The following is the breakdown of the proposed funding levels for the plan years 2014/15-2018/19

Programs	2014/15	2015/16	2016/17	2017/18	2018.19
Levy Collection	312.2M	324.7M	343.9M	330M	326.2M
Establishment and Operationalization of a Training revolving fund	100M	100M	100M	100M	100M
Resource Mobilization Unit	25M	25M	25M	25M	25M
New Products and Markets Development	249M	236M	279M	313M	484M
Marketing Activities through KTB	406.5M	420.6M	444.7M	483.8M	486.9M
Training & Capacity Building of Stakeholders through KUC and other hospitality institutions	325M	345M	366M	387M	410M
Protection Services	56M	60M	70M	50M	63M

Research and Tourism Intelligence, and Tourism information Management System	26M	30M	40M	50M	63M
Tourism Safety, Communication and Establishment of Crisis management centre	16M	15M	20M	25M	33M
Other Tourism Activities	56M	100M	100M	100M	103M
Build Institutional Capability	98.6M	80.9M	88.5M	86.97M	88.98M
Raising TF profile & Corporate Image	137.5M	72.5M	72.5M	80.5M	79.5M
Re-engineering Business processes and ICT	234M	86M	64.5M	60.5M	66.5M
Innovation and Creativity	8M	2M	5M	2M	2M
CAPEX ; Construction of Ronald Ngara Utalii College	500M	500M	500M	500M	500M
CAPEX: Acquisition of Car Park	302M	302M	502M	502M	302M
Recurrent Expenditure	494.61M	544.07M	598.47 M	658.32M	724.15M
Total (Million Kshs)	3,317.41M	3,214.77M	3,590.57M	3,725.09M	3,828.23M

7.2. Sources of Funding

PROPOSED FUNDING OF TF OPERATIONS 2014/15-2018/19

TF PROJECTED FUNDING BASE 2014/15--2018/19					
Source	Year				
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Allocation from Treasury					
Levy Collection	2.2bn	2.8bn	3.6bn	4.5bn	6.2bn
5% retention earnings of Financial Value of New Products & Markets	750m	1,250m	1,500m	1,750m	2,000m
Interest from Revolving fund			2.5m	2.5m	2.5m
Training Fund Loan repayment			3.76m	4.75m	5.875m
Rental Income	50m	98.2m	103.1m	108.3m	113,68m
Income from Car Park	3m	5m	0	0	0
Investment of Surplus	356m	489.2m	756m	1,022.7m	1,199.9m
Total	3,359M	4,642.4M	5,965.36M	7,388.25M	9,519.455M

8.0 MONITORING AND EVALUATION SYSTEMS

8.1. Purpose of M&E

A monitoring and evaluation system is necessary to ensure that TF has timely, focused, objective and evidence-based information on the performance of its activities. It requires observation, measurement, feedback, and guidance. In this regard, TF will, as a matter of priority, establish an effective monitoring and evaluation system consisting of:

- i. Appropriate performance indicators
- ii. Data collection and reporting system
- iii. Evaluation and review mechanism

An effective monitoring and review mechanism produces data and information relating to the carrying out of an organisation's activities and the extent to which targets are being met. Where a variance is registered between planned and actual accomplishment, a basis is provided for appropriate remedial action to be taken by the Management and, where necessary, by the Board with a view to ensuring that the goals and objectives are realised.

8.2. Current M & E. Framework;

Currently, TF uses Performance Contracting tools mandated by the government to monitor performance of its key activities. These performance contracting tools however do not adequately capture all the aspects of the strategic plan and the reporting framework is limiting in terms of accountability, frequency of reporting and instantaneous feedback for remedial actions.

8.3 Proposed M&E and Reporting Framework

The following M & E Reporting tool is recommended for use to Monitor and evaluate implementation based on the dynamics of TF environment to ensure consistency, accountability and effective timely monitoring of key activities engrained in the TF strategic direction. The key aspects of the M&E tool will be performance and resource utilization.

TF should integrate the proposed tool into their performance management meetings and also develop and operationalize appropriate reporting mechanism with a view of giving appropriate feedback for remedial actions. It is critical that the M&E tool be automated and cascaded to the entire organization for effective operationalization. The M&E information should be centrally collated into TF dashboard reports for BOT, CEO and Management for decision making and feeding into the external Performance Contracting tools.

.1 Key Assumptions

The realization of this strategic plan is dependent on the following key assumptions

- The Tourism Act 2011 will be fully operational
- The new tourism regulations will be enacted
- TF BOT and management will be provide leadership, commitment and resources to drive the implementation.

9.2. Main Risks

The following are the risks inherent with this strategic plan. Adverse change of government policies and legislations

- Lack of political good will and buy in
- Political and social Stability
- Occurrence of natural calamities and disasters

Goal 1. **Mobilize Resources to sustain the F**

Objective	Strategy	Activity	OVIs	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KSh (Millions)					
				1	2	3	4	5			1	2	3	4	5	Total
<i>To establish a sustainable and reliable fund</i>	Establish an operational frame work for a sustainable revenue base	Develop and Implement resource mobilization framework	Framework in place	Develop		Review			2	CEO	3M		1.5M			4.5M
		Increase Levy Collection from Kshs2.262B to 6.2billion by 2018	Total amount of money collected	2.2BN	3.4B	4.6B	5.4B	6.2B	14.11B	HLO	309.2M	324.7M	340.9M	330M	326.2M	1,631M
		Enhance Enforcement & Compliance	Percentage decrease of cumulative Outstanding debt	20%	40%	60%	70%	80%	20% Reduction Rate per Year	HLO	-	-	-	-	-	-
			Increase realized from verification	100%	100%	100%	100%	100%	100%	HLO	-	-	-	-	-	-
			% Level of compliance on registration	100%	100%	100%	100%	100%	100%	HLO	-	-	-	-	-	-
		Establish a Sustainable revolving / endowment fund	Allocation of seed capital	Amounts Allocated	100M	100M	100M	100M	100M	500M	HOF	100M	100M	100M	100M	100M
Develop and Implement operation and legal framework	Funds given out to students		80M	85M	88.76M	93.45M	99.32M	440M	HOF	16M	10.8M	10.6M	10.3M	10.04M	57.74M	
Establish M & E mechanism	Number of Applications processed		880	880	1100	1375	1720	5955	HOF	-	-	-	-	-	-	
Recover monies paid out to students	-Amounts of loan repayment		-	-	3.76M	4.75M	5.875M	14.835M	HOF	-	-	-	-	-	-	
Establish and Implement Risk Management Mechanism	Insurance Premium Amount		5% of loan amount	5% of loan amount	5% of loan amount	5% of loan amount	5% of loan amount		HOF	4.0M	4.2M	4.4M	4.7M	4.96M	22.26M	
Diversification of revenue base	Leasing office space/wall branding / hosting signal boosters	Amount of money generated						473.28M	HOF	2M	2M	2M	2M	2M	10M	
	Acquisition/ construction of a car park	Amount of money generated	3M	5M	103.1M	108.3M	113.68M	8M	HOF	300M	300M	500M	500M	300M	1,900M	
	Investments of surplus funds	Amount of Interest generated (@8%pa)	26.4M	36.2M	56M	75.7M	88.9M	283.2M	HOF	453M	700M	947M	1,111M	1,276.6M	4,487M	

Goal 2. Develop New products and Markets

Objective	Strategy	Activity	OVIs	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KShs.							
				1	2	3	4	5			1	2	3	4	5	Total		
Inspire innovation and creativity for development of new products and services.	Create a sustainable financial base for development of new tourism products and markets	Set up a resource mobilization framework for new tourism products and market development	Framework in place	1		1				2	BDM	8M		5M				13M
			Set up a resource Mobilization unit										10M	10M	12M	15M	15M	62M
		Periodic research and review of new products	Research reports	1	1	1	1	1	5	BDM	5M	5M	5M	5M	5M	5M	25M	
		Profile, prioritize and package new tourism products and markets opportunities	PPP report	1			1		2	BDM	5M					3M	8M	
			No of products/ projects in the pipeline(10	12	15	18	32	87	BDM	120M	144M	180M	216M	384M	1.044B		
		Market new product s and opportunities	No of mkt campaign done	8	8	8	8	8	40	BDM	40M	40M	40M	40M	200M	200M		
			No of investors attracted	10	12	15	18	32	87	BDM	-	-	-	-	-	-		
			Volume of investments	10B	10B	10B	10B	10B	50B	BDM	-	-	-	-	-	-		
				Benchmark tourism product , management and market development processes	No benchmarking undertaken	1	1	1	1	1	5	BDM	6M	6M	6M	6M	6M	30M
				Monitoring and evaluation	No of audits	4	4	4	4	4	20	BDM	4M	4M	4M	4M	4M	20M

Objective	Strategy	Activity	OVIs	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KShs.					
				1	2	3	4	5			1	2	3	4	5	Total
	Develop partnership for funding product development	Undertake baseline or inventory of new product opportunities	Baseline or inventory report	1	-	-	-	-			12M	-	-	--	-	12M
			Reviewed Baseline or inventory report	-	-	-	1	-	1	BDM	-	-	-	5M	-	5M
		Create awareness of new products development opportunities	No of awareness campaign	4	4	4	4	4	20	BDM	12M	12M	12M	12M	12M	60M
		Profiling of potential development partners	No of development partners identified	1	-	-	-	-	1	BDM	12M	-	-	-	-	-
	Reviewed research		-	-	-	1	-	1	BDM	-	-	-	3M	-	3M	
	Align new tourism products development initiatives to benefit from National Investment Agencies programmes	Corroborate with relevant national agencies on tourism product and markets development	No of collaboration established and maintained	12	12	12	12	12	60	BDM	10M	10M	10M	10M	10M	50M
Financial value arising from collaborations			5B	15B	20B	25B	30B	95B	BDM	5M	5M	5M	5M	5M	25M	

Goal 3. To finance Key Tourism Activities

Objective	Strategy	Activity	OVI's	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KShs.					
				1	2	3	4	5			1	2	3	4	5	Total
Disburse funds to finance various tourism activities	Finance Marketing Activities of KTB	Develop/Review Appropriate Disbursement policies	Policy In Place	1 Policy devp				1 Reviewed Policy		HOF	3.0M		1.5M			4.5M
		Grow funding portfolio ; (Local Market-10%, Regional Market-30%, International Traditional Markets, Europe and USA -20%, International Emerging Market, Asia and Latin America -40%)	Amounts of Money disbursed	4 00m	420M	441m	463m	486m	2240M	HOF	400.5M	420.6M	441.7M	463.8M	486.9	2,243.5M
		Establish Disbursed resource Monitoring and Evaluation mechanism	Policy on M&E	Policy in place				Reviewed Policy		HOF	3M				1.5M	4.5M
	Finance Training & Capacity Building of tourism workforce	Grow the funding of KUC by 5% annually	Amount of money disbursed	300M	315M	331M	347M	365M	1658M	HOF	300M	315M	331M	347M	365M	1658M
		Fund the construction of Ronald Ngala Utalii College.	Level of Completion	Phases 1	Phase 2	Phase 3	Phase 4	Complete		HOF	500M	500M	500M	500M	500M	2500M
		Collaborate with relevant institutions to capacity build the workforce facilitate curriculum enrichment.	No of people trained	500	600	700	800	900	3500	HOF	25M	30M	35M	40M	45M	175M

Objective	Strategy	Activity	OVIs	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KShs.							
				1	2	3	4	5			1	2	3	4	5	Total		
Finance Protection Services		Establish institutional/ operation and legal framework for funding protection services	Policy in place	Policy Developed					Review Policy		CEO	3M				1.5M	4.5M	
		Implement and operationalize funding framework (Funding Portfolio; -Capacity Building – 30% -Communication – 70%)	Amounts Disbursed	50M	60M	70M	50M	60M	290M		HOF	50M	60M	70M	50M	60M	290M	
		Establish Disbursed resource Monitoring and Evaluation mechanism	Policy on M&E	Policy in place					Reviewed Policy	2	HOF	3M					1.5M	4.5M
Finance Research and Tourism Intelligence, and Tourism information Management System		Establish institution operation and legal framework for funding	Policy in place	Policy Developed					Review Policy	2	HOF	3M				1.5M	4.5M	
		Implement and operationalize funding framework	Amount Disbursed	20M	30M	40M	50M	60M	200M		HOF	20M	30M	40M	50M	60M	200M	
		Establish Disbursed resource Monitoring and Evaluation mechanism	Policy on M&E	Policy in place					Reviewed Policy		HOF	3M					1.5M	4.5M
Finance activities of Tourism Safety, Communication and Establishment of Crisis management centre		Establish institution operation and legal framework for funding	Policy in place	Policy Developed					Review Policy		HOF	3M				1.5M	4.5M	
		Implement and operationalize funding framework	Amount Disbursed	10M	15M	20M	25M	30M	100M		HOF	10M	15M	20M	25M	30M	100M	
		Establish Disbursed resource Monitoring and Evaluation mechanism	Policy on M&E	Policy in place					Reviewed Policy		HOF	3M					1.5M	4.5M
Finance Development of other Tourism activities		Identify and profile Tourism activities to be funded	No of activities identified for funding	Feasibility Study	1	1	1	1			HOF	50M	100M	100M	100M	100M	450M	
		Establish institution operation and legal framework for funding	Policy in place	Policy Developed					Review Policy		HOF	3M					1.5M	4.5M
		Establish Disbursed resource Monitoring and Evaluation mechanism	Policy on M&E	Policy in place					Reviewed Policy		HOF	3M					1.5M	4.5M

Goal 4: Enhance Institutional Capability and Competence

Objective	Strategy	Activity	OVIs	Target by Plan Year					Total Plan Target	Actors	Budget by Plan Year KShs.					Total	
				1	2	3	4	5			1	2	3	4	5		

Build Institutional Capability	Attract, Recruit and retain Adequately competent staff	Review HR Policy	Policy in place	Review						HHCA	1.5M					1.5M	
		Carry out a Needs assessment	No of Need Assessment reports	1 review			Review			2	HHCA	3M		1.5M			4.5M
		Undertake organization wide job evaluation and review	No. of job reviews undertaken	1	-	1	-	-		2	HHCA	3M	-	1.5M		-	4.5M
		Recruitment and staff separation	Amounts Allocated	12M	12.2M	12.6M	12.8M	13M			HHCA	12M	12.2M	12.6M	12.8M	13M	
		Undertake Continuous Staff Training	Amounts of Allocated	18M	20M	22M	24M	25M			HHCA	18M	20M	22M	24M	25M	
		Develop and implement Reward systems	Amount allocated for reward	5M	5M	5M	5M	5M	25M		HHCA	5M	5M	5M	5M	5M	25M
	Enhance staff welfare	Sensitize staff on welfare programs	No of sensitizations forum	1	1	1	1	1	5		HHCA	1M	1M	1M	1M	1M	5M
		Undertake organization wide staff events	No of staff events	1	1	1	1	1	5		HHCA	10M	10M	10M	10M	10M	50M
	Improve efficiency in service delivery	Incorporate OSHA standards in the organization	Undertake OSHA audits	1	1	1	1	1	5		HHCA	5M	5M	5M	5M	5M	25M
		Continuously enhance Staff wellness and satisfaction with work place	Employees Satisfaction levels with working environment and programs	78 %	80%	81%	82%	83%			HHCA	8M	8.6M	9.3M	10.07M	10.88M	
	Enhancing good corporate governance	Service charter Statutory and regulations/ Compliance	No of compliance audits	4	4	4	4	4	20		CEO	0.1M	0.1M	0.1M	0.1M	0.1M	0.5M
		Develop and Implement Risk audit and management System	Number of risk audits carried out	2	2	2	2	2	10		CEO	4M	4M	4M	4M	4M	20M
		Work Ethics and Integrity Programmes	No. Trainings and programmes conducted	1	1	1	1	1	5		HLS	2M	2M	2M	2M	2M	10M
	Improve Corporate Culture	Conduct Corporate culture enhancement programs.	Programs undertaken	2	1	1	1	1	6		HHCA	20M	10M	10M	10M	10M	60M

	Enhance performance management systems	Develop a comprehensive performance management system	Performance management tools in place	System in Place -	- -	Review	-	-	2	HHCA	3M	-	1.5M	-	-	4.5M
		Implementation of continuous improvement performance / Knowledge management systems, ISO,PC, OPI, Knowledge Management and BSC	No. of audits / evaluation carried out.	4	4	4	4	4	20	HODs	3M	3M	3M	3M	3M	15M

Raise TF profile and corporate image.	Improve corporate image, brand and communication	Develop and implement brand identity manual	Brand Manual identity in place	1	-	-	-	1 (review)	2	CAM	45M				5M	50M	
		Engage stakeholders	No of stakeholders forums held	4	4	4	4	4	20	CAM	4M	4M	4M	4M	4M	4M	20M
		General public awareness campaigns	Number of exhibition programs	8	8	8	8	8	40	CAM	5M	5M	5M	5M	5M	5M	25M
			Publications & Magazines	5	5	5	5	5	25	CAM	2.5M	2.5M	2.5M	2.5M	2.5M	2.5M	12.5M
		Conduct Levy payers campaign	Number of Levy payers campaigns	1	1	1	1	1	5	CAM	15M	15M	15M	15M	15M	15M	75M
		Development Promotional Materials	Amount Allocated	12M	12M	12M	12M	12M	60M	CAM	12M	12M	12M	12M	12M	12M	60M
		Improve investor relations	Amounts Allocated	15M	15M	15M	15M	15M	75M	CEO	15M	15M	15M	15M	15M	15M	75M
		Continuously enhance customer relations	Customer satisfaction levels	60%	65%	70%	75%	78%		CAM	4M	4M	4M	4M	4M	4M	20M
	Enhance effective and efficient internal and external communication	Develop and implement a corporate communication strategy	Corporate communication strategy in place	1	-	1(review)	-	-	2	CAM	10M	-	-	3M	-	-	13M
		Develop and implement marketing strategy	Marketing Strategy in place	1	-	1(review)	-	-	2	CAM	10M			3M	-	-	13M
		Appoint and engage a PR Agency	Amount Allocated	5M	5M	5M	5M	5M	25M	CMA	5M	5M	5M	5M	5M	5M	25M
	Enhance corporate citizenship	Develop and implement a CSR policy	Amount Allocated	10M	10M	10M	12M	12M	54M	CAM	10M	10M	10M	12M	12M	54M	

Re-engineering business processes and technology modernization and Knowledge transfer	Improve/optimize work efficiency and information systems through ICT	Develop an ICT policy	ICT Policy in place	Developed policy		Review				ICTM	2M		1M			3M	
		Continuous upgrades of ICT infrastructure	Amount Used	13M	15M	17M	17M	20M	82M	ICTM	13M	15M	17M	17M	20M	82M	
		Set up a tele-conference Centre	Amounts Used	10M	10M	5M	5M	5M	35M	ICTM	10M	10M	5M	5M	5M	35M	
		Set up a data centre	Amounts Allocated	20M	20M	5M	5M	5M	55M	ICTM	20M	20M	5M	5M	5M	55M	
		Seamless data Integration/ automation	% level of integration	70%	75%	80%	85%	90%		ICTM	5M	5M	5M	5M	5M	25M	
		Establish a Business Continuity & Disaster preparedness centre	Amounts Allocated	10M	10M	2.5M	2.5M	2.5M	27.5M	ICTM	10M	10M	2.5M	2.5M	2.5M	27.5M	
		Carry out ICT audits	No. of External Audits	1	-	1	-	1	3		ICTM	3M	-	3M	-	3M	9M
			Level of compliance with E-government	65.2%	68%	69%	70%	75%			ICTM	0.5M	0.5M	0.5M	0.5M	0.5M	2.5M
			Level of automation	65.2%	68%	69%	70%	75%			ICTM	0.5M	0.5M	0.5M	0.5M	0.5M	2.5M
		Enhance security through ICT	Installation of CCTV in the TF towers	Amounts Allocated	20M	5M	5M	5M	5M	40M	ICTM	20M	5M	5M	5M	5M	40M
	Install Access control at the TF Towers		Amounts Allocated	100M	10M	10M	10M	10M	140M	ICTM	100M	10M	10M	10M	10M	140M	
	Enhance Data Security and integrity		Amounts Allocated	50M	10M	10M	10M	10M	90M	ICTM	50M	10M	10M	10M	10M	90M	
	Develop an innovative and creative environment for value addition and competitiveness	Establish a functional research, innovation and creativity framework	Develop a research ,innovation , Knowledge management and creativity framework policy	Policy Framework in place	Develop		Review			2	CEO	3M		1.5M			4.5M
Operationalize & Implement the framework			No of new ideas and initiatives	1	1	1	1	1	5	CEO	1M	1M	1M	1M	1M	5M	
			No of Innovation champions	4	4	4	4	4	20	CEO	1M	1M	1M	1M	1M	5M	
		Establish Business Sustainability 50yr plan	Business Sustainability Plan in place	Develop		Review			2	CEO	3M		1.5M			4.5M	

10.2 Institution Development Matrix

This is a summary of how TF will address weaknesses identified in SWOT analysis.

Issues	Goal	Objective	Activity
Over reliance on levy collection	Increase revenue base	To adequately resource and staff the organization	Carry out Employees need assessment Undertake Job evaluation and review
Institution Linkages and collaborations	Establish a framework for establishing linkages with other institutions for synergy	Institutionalize linkage with other public institutions and players	Sign Memorandums of understanding and collaboration agreement.
New Corporate culture	Create a strong corporate culture	Embed the new values into the organization DNA	Undertake a comprehensive culture change program Undertake staff training on change management Review performance management system Undertake continuous staff training to address competence gaps Undertake employee satisfaction surveys with the workplace and work environment.

10.3 References

- TOR
- Jubilee Manifesto
- National Tourism strategy
- Tourism Act 2011
- Draft of New Tourism regulations
- Kenya Constitution
- Vision 2030 strategic plan
- Performance Contract reports

- Kenya Performance sector indicators (PSI)
- OPI report
- Profiles of Tourism Product & Services reports, Oct 2012
- CTDLT Strategic Plan 2009-2014

10.4. List of Participants at the Main Strategic Planning Workshops

Meeting Venue: Masinga Dam Resort

Dates: 19th – 20th Feb 2014

TF STAFF MEMBERS

	NAME	DEPARTMENT
1	MR. ALLAN CHENANE	C.E.O
2	MS. EDDAH KIBOI	PA TO CEO
3	Mr JOSHUA MACHOOKA	Logistics Officer to CEO

CORDINATING COMMITTEE

1	WILLIS ONDIEK	CHAIRPERSON
2	MARGARET NJOKA	MEMBER
3	CHARLES OKEYO	MEMBER
4	NANCY SIBOE	MEMBER
5	PATRICIA ONDENG	MEMBER
6	SAMUEL ONDIEKI	MEMBER
7	CHRISTINE SITAWA	SECRETARY

STEERING COMMITTEE

1	COLLINS KOSKEI	LEVY
2	CONSOLATA LENAIROSHI	HR
3	ANTHONY LUBANGA	ASQ&A
4	MARICELLA OMACHE	CORPORATE AFFAIRS
5	DAVID OGUTU	CORPORATE AFFAIRS

HODS

1	MRS. JANE AGANYO	HEAD OF INTERNAL AUDIT
2	MR. SAMUEL OBOTE	Ag. ICT MANAGER

REGIONAL MANAGERS

1	MR. EDWARD KISALI	RM - NAIROBI
2	MR. DAVID KOMU	RM - MOMBASA
3	MS. BARBARA AKOTH	RM – KISUMU
4	MRS. JENIFFER CHEGE	RM – NAKURU
5	MR. PETER OTIENO	RM – NYERI

REPRESENTATIVE

1	MAUREEN CHACHA	LEVY
2	GRACE ATENYO	HUMAN RESOURCES
3	JARED OTIATO	PERFORMANCE CONTRACT
4	SAMUEL NGARI	LEVY
5	LAURA ANYASI	LEVY
6	WILFRED CHERUYIOT	PROCUREMENT

CONSULTANTS

1	MARTIN MBUGUA	OUTLOOK SOLUTIONS
2	FAHAAD MUTHEE	OUTLOOK SOLUTIONS
3	JAPHETH NGONDE	OUTLOOK SOLUTIONS
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